

EMAKHAZENI LOCAL MUNICIPALITY



2014/2015
ANNUAL REPORT
Volume I

CONTENTS

CONTENTS	2
CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY	7
COMPONENT A: MAYOR’S FOREWORD	7
COMPONENT B: EXECUTIVE SUMMARY	10
1.1. MUNICIPAL MANAGER’S OVERVIEW	10
1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW	13
1.3. SERVICE DELIVERY OVERVIEW	17
1.4. FINANCIAL HEALTH OVERVIEW	18
1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW	20
1.6. AUDITOR GENERAL REPORT	20
1.7. STATUTORY ANNUAL REPORT PROCESS	21
CHAPTER 2 – GOVERNANCE	22
COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE	22
2.1 POLITICAL GOVERNANCE	22
2.2 ADMINISTRATIVE GOVERNANCE	24
COMPONENT B: INTERGOVERNMENTAL RELATIONS	24
2.3 INTERGOVERNMENTAL RELATIONS	25
COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION	26
2.4 PUBLIC MEETINGS	26
2.5 IDP PARTICIPATION AND ALIGNMENT	27
COMPONENT D: CORPORATE GOVERNANCE	28
2.6 RISK MANAGEMENT	28
2.7 ANTI-CORRUPTION AND FRAUD	28
	29

2.9	BY-LAWS.....	29
2.10	WEBSITES.....	30
2.11	PUBLIC SATISFACTION ON MUNICIPAL SERVICES.....	30
CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)		33
COMPONENT A: BASIC SERVICES.....		33
3.1.	WATER PROVISION	34
3.2	WASTE WATER (SANITATION) PROVISION.....	36
3.3	ELECTRICITY.....	39
3.4	WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING).....	41
3.5	HOUSING.....	44
3.6	FREE BASIC SERVICES AND INDIGENT SUPPORT	46
COMPONENT B: ROAD TRANSPORT		47
3.7	ROADS	47
3.8	TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)	50
3.9	WASTE WATER (STORMWATER DRAINAGE).....	52
COMPONENT C: PLANNING AND DEVELOPMENT		53
3.10	PLANNING	53
3.11	LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)	56
COMPONENT D: COMMUNITY & SOCIAL SERVICES		61
3.12	LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC).....	61
3.13	CEMETORIES AND CREMATORIIUMS.....	63
3.14	CHILD CARE; AGED CARE; SOCIAL PROGRAMMES.....	64
COMPONENT E: ENVIRONMENTAL PROTECTION.....		70
3.15	POLLUTION CONTROL.....	70
COMPONENT F: HEALTH.....		71

3.16	HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC	71
COMPONENT G: SECURITY AND SAFETY		73
3.17	FIRE	76
3.18	OTHER (DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES AND OTHER)	78
COMPONENT H: SPORT AND RECREATION		79
3.19	SPORT AND RECREATION.....	79
3.20	FINANCIAL SERVICES.....	81
3.21	HUMAN RESOURCE SERVICES.....	83
3.22	INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES	85
COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD		88
CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE		170
(PERFORMANCE REPORT PART II)		170
COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL		170
4.1	EMPLOYEE TOTALS, TURNOVER AND VACANCIES	170
COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE		172
4.2	POLICIES	173
4.3	INJURIES, SICKNESS AND SUSPENSIONS	174
COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE		175
4.4	SKILLS DEVELOPMENT AND TRAINING.....	176
COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE		181
4.5	EMPLOYEE EXPENDITURE	181
CHAPTER 5 – FINANCIAL PERFORMANCE		182
COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE		183
5.1	STATEMENTS OF FINANCIAL PERFORMANCE	183
5.2	GRANTS	185
5.3	ASSET MANAGEMENT	186

5.4	FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS	187
	COMPONENT B: SPENDING AGAINST CAPITAL BUDGET	189
5.5	CAPITAL EXPENDITURE.....	189
5.6	SOURCES OF FINANCE.....	190
5.7	CAPITAL SPENDING ON 5 LARGEST PROJECTS	191
5.8	BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW	191
	COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS.....	192
5.9	CASH FLOW	193
5.10	BORROWING AND INVESTMENTS	194
5.11	PUBLIC PRIVATE PARTNERSHIPS.....	194
	COMPONENT D: OTHER FINANCIAL MATTERS	195
5.12	SUPPLY CHAIN MANAGEMENT	195
5.13	GRAP COMPLIANCE	195
	CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS	196
	COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2014/15.....	196
	APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES	208
	APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE as at 30 june 2015.....	209
	APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY	210
	APPENDIX E – WARD REPORTING.....	211
	APPENDIX F – WARD INFORMATION.....	211
	APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2014/2015.....	213
	APPENDIX H –SERVICE PROVIDER PERFORMANCE SCHEDULE.....	218
	APPENDIX I – DISCLOSURES OF FINANCIAL INTERESTS	232
	APPENDIX J (i): REVENUE COLLECTION PERFORMANCE BY VOTE	236
	APPENDIX j (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE	237
	APPENDIX K – CAPITAL PROGRAMME BY PROJECT 2014/2015	238

APPENDIX L – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS239

APPENDIX M – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF
GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION240

APPENDIX N – PRESEDENTIAL OUTCOME FOR LOCAL GOVERNMENT241

VOLUME II: ANNUAL FINANCIAL STATEMENTS241

CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR’S FOREWORD

MAYOR’S FOREWORD

Emakhazeni Local municipality continues to prioritise service delivery to its entire community member including farm areas as this is aimed at making rural development a realizable vision.

The Municipality consistently strive to provide basic services such as water and sanitation, roads and storm water drainage, refuse removal as well as provision of electricity to all its area of jurisdiction.

On public participation, the Municipality successfully organised and convened ward community feedback meetings thorough the Ward Committees to involve the public in matters of the local Municipality. The Municipality has been able to successfully establish a cordial working relationship with sector departments which are part of the stakeholder forum that sits on a monthly basis. Other mandatory consultative meetings which were successfully held through the public participation processes are the IDP consultative meetings held during the month of February and October of each year, the budget consultative meetings and the ward based community meetings held on monthly basis.

This is based on the vision of the Municipality which says Emakhazeni Local Municipality envisages to be a secure environment with sustainable development to promote service excellence, unity and community participation.

STRATEGIC ALIGNMENT TO THE PROVINCIAL GROWTH AND DEVELOPMENT STRATEGY, AND THE IDP STRATEGIES

The PGDS as a strategic and intergrated provincial development strategy is providing direction and scope for the provincial wide development. Emakhazeni local municipality has implemented its projects in line with the six priority areas of the PGDS and is as follows:

Economic Development (job creation, business and tourism development and SMME development)

The Municipality held its Local Economic Development Summit on the 2nd October 2014 at klopenheim Estate. The summit took a number of resolutions which have been operationalized and have a bearing in guiding the development of the LED strategy. The Municipality continues to build a cordial relationship with its social partners especially the mining houses in that regular meeting are held which to request the mines to respond to needs of the communities through their SLP's and CSI initiatives.

In the past year, 226 job opportunities created through infrastructural development projects.

Community Works Programme (CWP)

Emakhazeni Local Municipality is one of the Municipalities which benefited as an implementing agent in the CWP programme which is a safety net for the unemployed members of the community while seeking for other employment opportunities. The programme is supported by Cogta and its demographics in terms of employment as in 2014-2015 is as follows:

Age category	Number of people employed
Youth Male	55
Youth Female	149
Non Youth Male	18

Non Youth Female	73
Total male	73
Female Total	222
Total people employed	295

Tourism Development in 2014/2015

Three tourism precincts are currently under construction namely; Upgrading of Pholapark in Entokozaweni Ward 06, Construction of 03 Chalets in Guluk situated in Entokozweni and Recruitment of 20 tourism monitors. All the above were implemented with support of Nkangala District Municipality.

Key Service Delivery Improvements

INFRASTRUCTURAL DEVELOPMENT

Emakhazeni facilitated the following infrastructure development within its jurisdiction

- Installation of engineering services in Sakhelwe
- Upgrading of water treatment works and licence in Dullstroom
- Paving of roads in Dullstroom and Sakhelwe phase 05
- Rehabilitation of Bhekumuzi Masango phase 4
- Construction of a library in Emthonjeni
- Water Supply in Rural Areas
- Provision of waterborne sanitation in Madala Township for 500 stands Provision of water reticulation in Madala Township for 500 stands Paving of roads in Siyathuthuka (Elkie Str)
- Provision of waterborne Toilets in Rural Areas
- Provision of waterborne sanitation in Emthonjeni , Ext 04 for 800 stands
- Provision of water reticulation in Emthonjeni Ext . 04 for 800 stands
- Paving of roads in Emgwenya
- Construction of a Community hall in Siyathuthuka. Ext 3
- Construction of a Creche in Siyathuthuka Ext 3

Public Participation

In keeping with the provisions of chapter 4, section 16 subsection 1 of the Municipal Systems Act, the Municipality has continued without failure to develop a culture of public participation. The following systems have been institutionalised:

- Established a stakeholder forum comprising of all sector departments, ward committee members, CDW's and all councilors, the stakeholder forum sits on monthly basis.
- The **SMS system** is used to send to the public in information about all matters of development in the Municipality.
- The Municipality is also using a **loud hailing system** to invite members of the public to all community meetings.
- **Flyers** are also used as a method of inviting the public to meetings and informing the public of any developments in the Municipality.
- Notice boards are used to inform the public of any other developments in the Municipality

- Inviting community members to IDP consultative meetings and budget meetings
- **Flyers** are also used as a method of inviting the public to meetings and informing the public of any developments in the Municipality
- **Notice boards** are also used to inform the public of any other developments in the Municipality

Future Actions

Mpumalanga Development Co-ordinating Model (MDCM)

The Mpumalanga Provincial Government adopted a Mpumalanga Development Co-ordinating Model (MDCM) on the 26 September 2014, its implementation plan was adopted by the Members of the Executive Council on the 14 February 2015. The MDCM is fully co-ordinated from a war room level and to make this MDCM a reality municipalities are directed to launch their ward based war rooms by July 2015 and ELM had already launched its ward based war rooms in July 2015

The war rooms will work as the service delivery engines as they comprise of all stakeholders in the community. Amongst others its objective is to improve on Municipal communication with the members of the public by giving feedback promptly and timeously.

Initiatives committed whereby service delivery will be improved over the next few years.

The issues on key service delivery in the main canterers around service delivery of infrastructure development, which amongst other issues are water, sanitation, electricity and roads and storm water. It is for this reason that our expenditure has concentrated on satisfying the community needs. Further, our expenditure has considered the call by the community to come up with initiatives to grow the economy and to develop local economy in order to alleviate poverty and create job opportunities. While doing that, concentrate mainly on the youth, woman and People leaving with disabilities (PWD) as beneficiaries in such developments

Agreements / Partnerships (announcements on special partnerships initiated)

It should be noted that there were no agreements or partnerships which were entered into between the Municipality and any stakeholder during the 2014/15 financial year. However, the development of the High Altitude Training Centre is amongst the strategic projects for a Public Private Partnership.

Challenges

The fact that ELM has received a disclaimer of audit opinion the Auditor General is a matter which needs all of us (council and administration) to double our efforts in improve and turn around the situation. The Municipality has experienced work stoppages caused by labour unrests has and caused serious backlogs in terms of efficient service delivery in our communities

Conclusion

Although the municipality is regarded as a low capacity one, it is still trying its utmost best to comply with the provisions of section 152(1) of the RSA constitution given its limited resources. Thus the annual report gives an elaborate account of key service delivery improvements and the success of the municipality during the past financial year as well as indication of challenges on the service delivery matters achieved.

The municipality has realized that the solution to the challenges of poverty, unemployment and inequality which are the number one enemy of democracy lies in building strong sustainable relations with the social partners. Alone as government,

we would not be in a position to respond to the ever changing needs of our communities. We need to bring our resources together and face these challenges in a united and caring manner as we together strive to our communities to a better tomorrow.

(Signed by :) _____

Clr X.S. Ngwenya

Mayor/Executive Mayor

Date

COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW

MUNICIPAL MANAGER'S OVERVIEW

Section 152 of the Constitution of the Republic of South Africa outlines one of the objects of local government as:

(1) The objects of local government are -

- (a) to provide democratic and accountable government for local communities;
- (b) to ensure the provision of services to communities in a sustainable manner;
- (c) to promote social and economic development;
- (d) to promote a safe and healthy environment; and
- (e) to encourage the involvement of communities and community organisations in the matters of local government.

(2) A municipality must strive, within its financial and administrative capacity, to achieve the objects set out in subsection (1).

Emakhazeni local municipality adopted its 2014/15 Integrated Development Plan which plan was aligned to the priorities of the community as well as those of Council. The IDP was informed by the needs of the community wherein the following strategic areas of service were elevated:

In terms of Census 2001, the level of service of water provision in Emakhazeni is at 93%, that is 12 791 against the population of 13 721. The municipality being a water service authority continues to purifying and reticulating water to the residents whilst farming communities are serviced through bore holes and water tankers. Through the 2014/15 MIG allocation, the municipality is proud to report implementation of the following water projects, Emthonjeni Extension 4 and Enkanini Township: Provision of water phase 1 at R 1 280 000.00, Water supply in rural areas (phase 6) at R 3 000 000.00 and Madala Township: Provision of water for 500 stands (phase 1) at R 3 216 457.71

Emakhazeni municipality has four (4) Waste Water Purification Plants with 80% of households having access to waterborne sanitation. The remainder of households is serviced through the ventilated pit latrines. In the year in question, the Emthonjeni Extension 4 and Enkanini Township: Provision of waterborne sanitation for 800 stands phase 1 was implemented at the cost of R 987 482.39 whilst the Madala Township: Provision of waterborne sanitation for 500 stands phase 1 completed at the tune of R 2 270 435.28 were successfully implemented. Following engagements with Exxaro, council will be rehabilitating and installing boreholes in farms.

Given the loosely sparseness of the municipal area, servicing of roads is a huge and costly task. Only the strategic

connecting roads of the municipality were prioritized and maintained. During 2014/15, Council paved roads in Emgwenya at R 2 616 024.62, paving of roads in Siyathuthuka (Mandela Elkie street) at the cost of R 1 000 000.00 as well as paving of roads in Dullstroom and Sakhelwe (Paving of Siyifunile Extension 02 road) at R 2 000 000.00. Maintenance of roads remains a huge challenge to the municipality.

The municipality continues to provide refuse collection to all formalised areas which amounts to about 80% of the households. It is however acknowledged that the service is provided with frequent breakdowns and interruptions which threatens sustainable environment. The balance un-serviced areas are farms and is at this stage not possible to extend the service to these areas. Challenges relates to the distances between the farms and the absence of reliable infrastructure, that is access roads, availability of capable fleet largely the compactor trucks which in the case of the municipality is in a dire state.

The provision of electricity has been very difficult in that the municipality continues to provide electricity services at a loss. Although the municipality uses prepaid for the majority of residential households, theft of electricity is encountered. Council has determined penalties for those who have bridged electricity however this has not prevented the community from this practice. A Whistle blowing policy has been developed and approved by council with the aim that electricity theft will be minimised, the impact has not been realized. The municipality has signed a repayment plan with ESKOM and the Eskom account has since June 2014 been decreasing.

Being a low capacity municipality, the finances of the municipality are characterized by limited revenue base classified as households, government and businesses in so far as services provided and the property rates are concerned. The municipality finances were unstable due to cash-flow difficulties, less than 60% payment of services, and lack of cost reflective tariff's, high salary cost and failure to pay creditors within 30 days and failure to implement the 2014/15 valuation roll which led to the Honourable MEC extending the 2013/14 roll, to name a few.

Hence, council intensified revenue collection to at least above 60%, developed and implemented revenue enhancement programmes and disconnected non-paying customers. The objective of financial viability is to ensure good financial management which will render the finances of the institution sustainable. Unfortunately, the Auditor General disclaimed the state of finances of the municipality in 2013/14. A turn around in the management and accounting of the finances of the municipality was therefore a priority in the current year. Rate Payers Associations were engaged on ways to improve payment of services.

The development of revenue enhancement strategy as well as the establishment of clean audit committee is some of the measures established to ensure a turnaround to the municipal finances.

I am proud to report that council in its execution of its responsibilities amongst others developed the following policies:

- (i) Tariff Policy
- (ii) Petty Cash Policy
- (iii) Receipt Policy
- (iv) Fraud and Corruption Policy, Prevention Plan and Response Plan
- (v) Fraud and Corruption Prevention Strategy
- (vi) Whistleblowing Policy
- (vii) Standby Allowance Policy
- (viii) Overtime Policy
- (ix) Induction Manual and Policy

The municipality participates in the shared Audit Committee established and remunerated by the district municipality. The Audit committee sits quarterly and is chaired by an external member and reports directly responsibility to council. The Audit committee has added value in making recommendations around the finances and performance management. The

chairperson has aided in chairing and providing guidance to the performance management committees.

Section 62 of the MFMA outlines the responsibility of the Accounting Officer which is extended to Senior Managers and other officials of managing risks. A Risk Management Committee which is chaired externally and attended by all Managers has been established and is functional. Management has been elevated to the Performance Management Contracts of all senior managers. A risk assessment was municipal conducted and the following 5 top risks identified:

- I. Ineffective Contract Management
- II. Illegal connections
- III. Theft
- IV. Inadequate public participation, and;
- V. Non adherence to policies and procedures

In 2014/15 Council strengthened performance management in that a draft framework for managing performance was developed and performance assessments were conducted. These measures were put in place to institutionalise performance assessments as well as improve on the audit outcome of disclaimer.

Whilst council is striving for the attainment of its vision and mission, sporadic incidents of employee strikes derailed the operations of the municipality, negatively affected public confidence and threatened attainment of the vision of the institution. Henceforth, management will be strengthening the functioning of the Local Labour Forum and training and re-induction of the members will continue.

Finally, I wish to take this opportunity to extend my heartfelt thanks to the Emakhazeni Municipal Council for its guidance throughout the year. The leadership of Council has continuously directed and enabled management to be motivated and work harder. In the same breath, I extend my appreciation to the Management Team of the municipality which worked tirelessly especially during strike action.

I also wish to acknowledge the contributions of my predecessor who devoted her time to the institution until January 2015, your positive contributions has not gone unnoticed. The team work demonstrated by all alike, including, Council, Management, Employees and Community is very much appreciated.

“My sons, if you are of one mind and unite to assist each other, you will be as this bundle, uninjured by all the attempts of your enemies, but if you are divided among yourselves, you will be broken as easily as these sticks”. United we stand, divided we fall.

E. K TSHABALALA
ACTING MUNICIPAL MANAGER

1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

INTRODUCTION TO BACKGROUND DATA

REFUSE REMOVAL

The municipality achieved an 81,48% collection rate in urban areas during 2014/2015. Major challenges pertaining to refuse collection are the breakdown of trucks. The teams work overtime and on Saturdays in case of a breakdown to ensure weekly service delivery is on track. Compactor trucks are also shared between towns. The other contributor to the 100% achievement was due to the unprotected strike that the municipality faced during this financial year which has impacted negatively in ensuring 100% compliance in terms of all urban households being serviced on a weekly basis and rehabilitation of illegal dumping areas.

HUMAN SETTLEMENT

In an effort to address the housing backlog within the municipal area of jurisdiction the municipality embarked on a process to establish new townships. These townships are Enkanini, Emthonjeni Extension 4 and 5, Madala old location, Sakhelwe Extension 2, Wonderfontein and Gugulethu. Further the municipality, with the assistance of Department of Human Settlement and Bongela Development Consortium is busy with the Siyathuthuka Integrated Settlement where services were installed in extension 6 and 8 and 421 houses were constructed and handed over to beneficiaries.

The department allocated a further 214 units for Emakhazeni. The municipality concluded the installation of engineering services to 114 stands in Enkanini. The first phase for the installation of engineering services to 500 stands is continuing at Madala. Siyathuthuka Extension 7 is also being serviced with a view to have more stands for human settlement purposes.

LOCAL ECONOMIC DEVELOPMENT

In order to facilitate development, strategic pillars have been identified for Emakhazeni Local Municipality in its LED Strategy (2006):

Pillar 1: Good Governance and Capacitating

The re-alignment and capacitation of the institutional structures, especially local government, can only be achieved through a systematic approach to the current problems. It is emphasised that the role of local government in the development process is extremely important in influencing the location decision of private firms. This pillar aims to address the internal operations of the various local municipalities to improve their impact on the above-mentioned location considerations.

Pillar 2: Human Resource and Community Development

The main aim of this pillar is to facilitate an improvement in the accessibility of skills development programmes for communities, in a manner that is conducive to increased availability of skilled labour. It also gives communities the opportunity to participate in local initiatives that will enhance their living standards.

Pillar 3: Industrial and Big Business Development This pillar focuses on the activities that should be undertaken to support the development of existing as well as potential businesses and industrial developments throughout the NDM.

Pillar 4: SMME Development and Support

The focus of this pillar is to support the existing SMMEs and the emerging entrepreneur in the initial phases (as well as other phases) of the business cycle.

Pillar 5: Agricultural Development Agriculture as a sector is largely undeveloped.

This pillar aims to integrate employment creation with the stimulation of this sector. Traditional commercial farming is included and the potential growth in agro-processing activities must be investigated and exploited.

Pillar 6: Tourism Development

Tourism is the “temporary movement of people to destinations outside their normal places of work and residence, the activities undertaken during their stay in those destinations and the facilities created to cater to their needs”. This sector must be developed to its full potential in Emakhazeni.

SPATIAL PLANNING

Emakhazeni Local Municipality’s planning functions rest with the Nkangala District Municipality. A Land Use Committee was established where the municipality is also represented. This committee deals with all land use applications ranging from rezoning, subdivisions, consolidations, relaxations of boundary lines and township establishments. Over and above that the municipality managed to review its Spatial Development Framework (SDF) during the financial year under review. The SDF presents the spatial representation of the municipality’s landscape.

During 2013 the new Spatial Planning and Land Use Management Act (SPLUMA) was promulgated under the jurisdiction of the Department of Rural Development and land Reform. This legislation puts forward a set of principles to influence spatial planning, land use management and land development. It also provides for national and regional spatial development frameworks as well as provincial and municipal spatial development frameworks, implying that a package of plans will be undertaken from national to municipal level to direct land use management, while providing for uniform regulation of land use management throughout South Africa.

The general principles endorsed by this Act is that spatial planning, land use management and land development must promote and enhance Spatial Justice, Spatial Sustainability; Efficiency; Spatial Resilience, and Good Administration.

POPULATION PROFILE

The Emakhazeni LM experienced a slight increase in the total population from 2001 to 2011 as shown in Diagram 1. The population percentage increase calculated for the time period 2001 to 2011 is 8.8%, which translates into approximately 4169 people, from 43007 people in 2001 to 47176 in 2011. The total population of Emakhazeni contributed a mere 3.6% towards the total Nkangala Population. Most of the Emakhazeni population is concentrated within the functional area of Emakhazeni (35.4%), compared to eNtokozweni (18.9%) and Emgwenya (13.1%). Dullstroom (11.1%), a popular tourist attraction, has the smallest resident population concentration compared to the other functional areas. The rural area of Emakhazeni accommodates approximately 21.5% of the total population of Emakhazeni.

GROUP	TOTAL	%
Black African	41168	87.2%
Coloured	563	1.2%
Indian or Asian	330	0.7%
White	5076	10.8%
Other	79	0.2

Relevant indicators regarding youth by region, 2011 Census

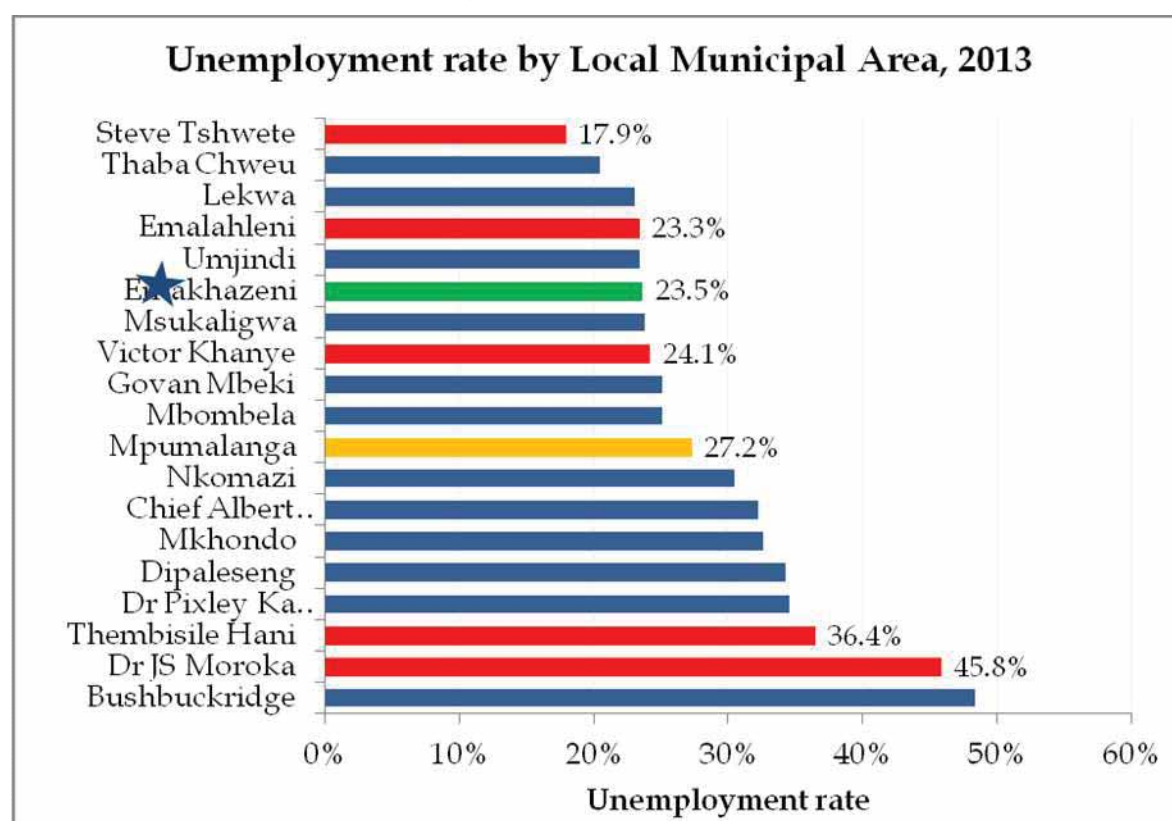
Region	Youth (0-34 years) as % of population	Child headed households as % of total households	Child support grant as % of total grants (2013/14)	Youth unemployment rate
Emakhazeni	65.6%	0.5%	66.4%	34.2%

Emakhazeni LM experienced an increase in the highest level of education from 2001 to 2011 in the categories Secondary (Grade 8-12) (from 33.1% in 2001 to 45.7% in 2011) and Higher (3.8% in 2001 to 5.1% in 2011). For the same time period the following education categories declines; Primary (grade 1-7) (from 33.8% in 2001 to 24.1% in 2011) and no Schooling (from 18.9% in 2001 to 10.2% in 2011).

Throughout the Local Municipality the education levels are relatively constant with most individuals having at least a Secondary (Grade 8-12) level of education (45.7%). Emakhazeni and eNtokozweni has the highest level of Higher education compared to the other functional areas.

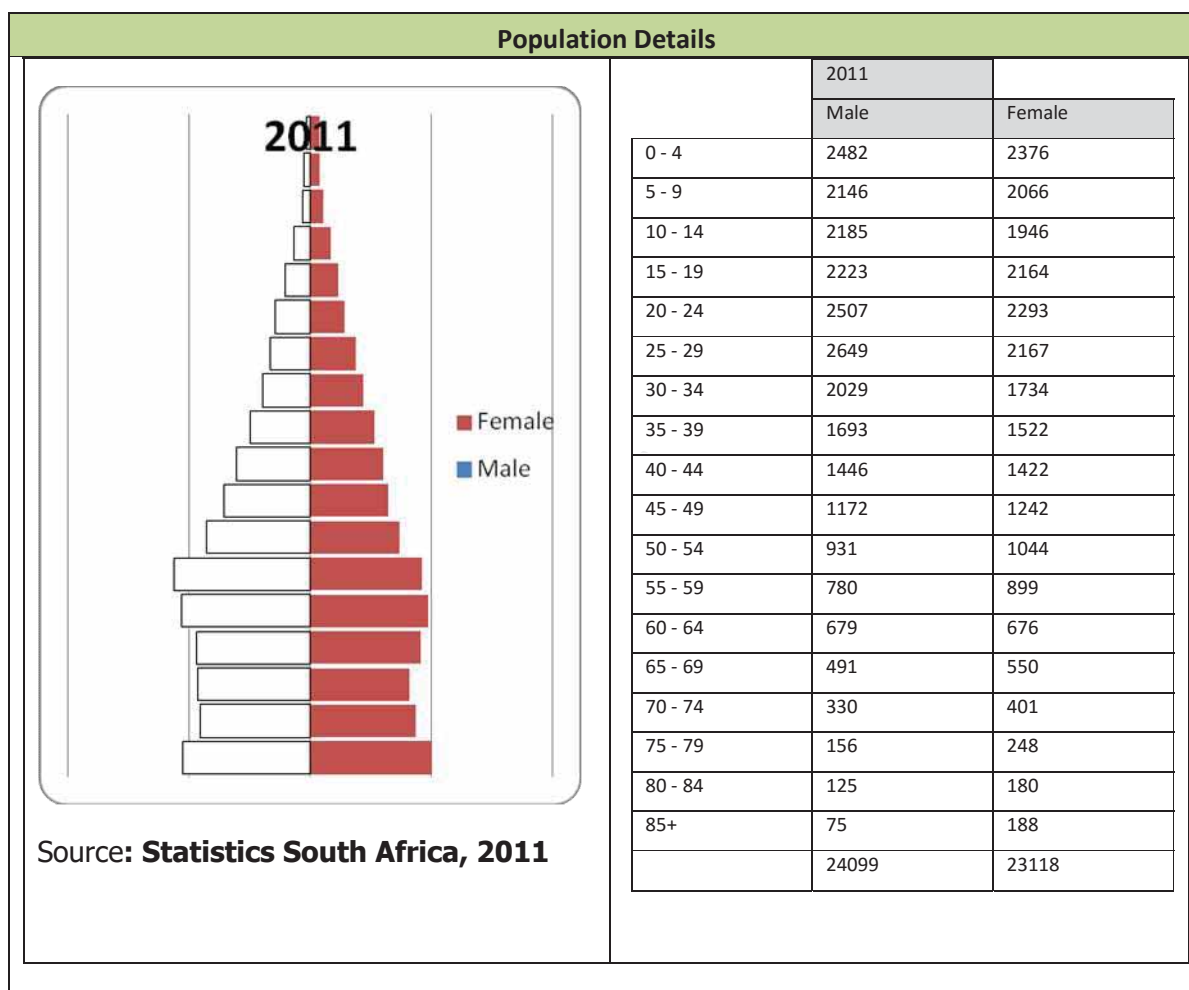
Local municipal area	Pass rate	Admission to:		
		Higher Certificate studies	Diploma studies	Bachelor studies
Emakhazeni	71.3%	23.8%	31.6%	16.0%

The overall employment levels within the LM are relatively high (74.1%), of which the total employment increased by 4.1% from 70% in 2001 to 74.1% in 2011. Similarly, unemployment decreased from 30.0% in 2001 to 25.9% in 2011. This is a good indication of a positive local economy. It is noted that the eNtokozweni functional area has the highest unemployment level (33.3%) compared to the other functional areas. The picture is however changing. With the closure of Assmang Chrome in Entokozweni the situation is dire. More people have entered the unemployment bracket.



Settlement Type	
Towns	
Emgwenya	
Entokozweni	
Emakhazeni	
Dullstroom	
Sub-Total 4	
Townships	
Engwenya	
Emthonjeni	
Siyathuthuka	
Sakhelwe	
Sub-Total 4	
Rural settlements	
Wonderfontein	
Sub-Total 1	
Informal settlements	
Shushumela	
Enkanini	
Sgwabula	
Etimbileni	
Entabeni	
Sub-Total 5	
Total 18	

NATURAL RESOURCES		
Major Natural Resource	Relevance to Community	
Dullstroom Dorpsdam	Source of portable drinking water	
Belfast Dam	Source of portable drinking water	
Kraaispruit dam	Alternative Source of portable drinking water	
Elands River	Source of portable drinking water	
Entokozweni Centenary dam	Alternative Source of portable drinking water	
COMMENT ON BACKGROUND DATA:		
The major resources are coal and manganese which have a span longer to improve local economic development and hence the unemployment rate is at 30%, however it is still high .Given the statistics, the skills gap is still not addressed but the social partners are giving an attention to that.		



1.3. SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

In terms of the South African Constitution one of the objects of local government is to ensure the provision of services to communities in a sustainable manner, thus basic municipal service delivery is imperative in South Africa. Despite its complexities, prevailing legislation regarding service delivery must be seen to assist municipalities to make informed and considered decisions. These laws and processes ultimately serve and protect the people who benefit from the delivery of municipal services. The municipality is delivering services using its own internal mechanisms, no services are outsourced. Some of the service delivery responsibilities rendered by the municipality are electricity, water, refuse removal, sanitation, roads and storm water.

All these services are paid for by the residents. Electrical supply is stable, the upgrade of the medium voltage network in Emakhazeni and the lower part of town was concluded. Electrification of Enkanini and Extension 4 as well as the 216 family units was finalized. The supply of all services was stable where disruptions occurred, most of them were resolved within 24 hours. Cash flow challenges have impacted negatively on service delivery particularly in addressing backlogs and dealing with roads that have exceeded their life span and general operations and maintenance of services infrastructure. The

municipality managed though within those challenges to ensure that even indigent communities continue to receive 50 kWh electricity and 6kl free basic water.

1.4. FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

Emakhazeni Local Municipality has a low base income. It is grant dependant; self sustainability is still a challenge. The following key performance indicator has been analyzed to obtain a true reflection on the municipal financial health.

Revenue Analysis

A key indicator of wealth from a municipal perspective is its ability to generate revenue from its communities. Gross Value Added per capita and property rates income per capita are good indicators of a municipality's ability to generate its own revenue. As for Emakhazeni Local Municipality the level of economic activity is relatively low and the property rates income per capita is also low as a result the municipality has limited ability to raise its revenues.

Expenditure Management

The municipality is also facing challenges in proper management of expenditure as it is unable to pay its creditors within 30 days and such attract interest and litigations from the service providers. Currently the payment period is above 120 days

Current ratio

The current ratio of the municipality 1:5 which indicates that the municipality will be unable to pay all its current or short-term is in terms of This is the current situation that the municipality is facing.

Debtors age analysis

The municipality is currently having consumer balance of an amount of R140 million and facing difficulties in collecting such amount, due to the high level of unemployment within Emakhazeni area.

In the 2013/14 financial year, the municipality obtains a disclaimer audit opinion and for the 2014/2015 financial year the municipality has worked very hard to ensure improvement on the audit outcome, but unfortunately the same audit outcome was received by the Municipality which was a disclaimer. The municipality was disclaimed on the following items: During the compilation of this draft annual report, the audit was on the planning stage. For the 2013/14 financial year, the municipality was disclaimed on the basis of the following;

(a) Revenue from exchange transaction

(b) Revenue from non –exchange transaction

© Property ,plant and Equipments

(d) Provision

(e) Cash flow

(f) Commitments

(g) Irregular expenditure

(h) Debt impairment

Assistance was then provided by National Treasury and Nkangala District to assist in the Finance Department, which we hope it will yield positive results. The municipality has then developed an action plan to deal with the issues raised by the

Auditor General, In order for the municipality to also improve on the audit outcome , a clean audit committee has being established to monitor the implementing the action plan.

Financial Overview: Year 2014/2015			
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	R 62 633 000.00	R 62 633 000.00	R 62 702 000.00
Taxes, Levies and tariffs	R135 612 000.00	R129 712 000.00	R 81 074 898 .00
Other	R 9 752 000.00	R 8 925 000.00	R 5 760 704.00
Sub Total	R 207 997 000.00	R 201 270 000.00	R 149 537 602.00
	R 233 323 000.00		
Less: Expenditure		R 229 816 000.00	R189 745 189.00
Net Total*	R25 326 000.00	R28 546 000.00	R40 207 587.00
* Note: surplus/(deficit)			

COMMENT ON OPERATING RATIOS:

Employee cost ratio: Remuneration/Total operating expenditure x100

$$: R63\,290\,915/165\,149\,158 \times 100 = 38\%$$

It must be noted that the municipality is within the norm of 25% to 40 % in terms of employee cost.

Repairs and maintenance: Repairs and Maintenance expenditure/PPE & investment property x 100

$$\text{Repairs and maintenance: } 2\,471\,575.00/677\,832\,082 \times 100$$

$$\text{Repairs and maintenance} = 0.36\%$$

Total Capital Expenditure			
			R'000
Detail	2014/2015	2013/2014	2012/2013
Original Budget	R 17 267 400	R 17 254 383	R 17 581 921
Adjustment Budget	R 17 071 600	R 16 312 693	R 18 741 686
Actual (incl donations)	R 22 946 330	R 21 741 227	R 34 951 005
			T 1.4.4

COMMENT ON CAPITAL EXPENDITURE:

For the 2014/15 financial year, Emakhazeni Local Municipality received a Municipal Infrastructure Grant for an amount of R 17 232 000.00 (95% was for capital and 5% for operational) from National Treasury and donations from Nkangala District Municipality was received which increased the actual to be more than the budgeted amounts.

Herewith the capital MIG spending for2014/15:

NO	NAME OF THE PROJECT	AMOUNT SPEND
1	Emthonjeni Extension 4 and Enkanini Township: Provision of waterborne sanitation for 800 stands phase 1	R 987 482.39
2	Emthonjeni Extension 4 and Enkanini Township: Provision of water for 800 stands	R1 280 000.00
3	Water supply in rural areas phase 6	R 3 000 000.00
4	Madala Township: Provision of water for 500 stands	R 3 216 457.71
5	Madala Township: Provision of waterborne sanitation for 500 stands	R 2 270 435.28
6	Paving or roads around Emakhazeni Local Municipality Townships phase 2: (Road 1 Emgwenya)	R 2 616 024.00

7	Paving of roads in Dullstroom and Sakhelwe phase 5 (Paving of Siyifunile Extension 02 road)	R2 000 000.00
8	Paving of roads around Emakhazeni Local Municipality Townships phase 2: (Mandela Elkie street in Siyathuthuka)	R 1000 000.00
9	Project Management Unit	R 861 600.00
TOTAL		R 17 232 000.00

1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

ORGANISATIONAL DEVELOPMENT PERFORMANCE

The reviewed organograms was discussed during a strategic planning workshop held on 3 July 2014, taking into consideration the approved IDP, Budget and SDBIP's. The municipality also complied with regulation no 37245 by reviewing the staff establishment within 12 months after promulgation of the regulations after considering the report of the Municipal Manager which was based on the recommendations of the strategic planning session.

Out of the total number of 496 posts of the municipality, 376 are filled, 120 are vacant and only 54 vacant posts are funded for the 2014/2015 financial year and to date, out of the 54, 23 funded vacant posts are filled. The vacancy rate 24%

There are six (6) Senior Management posts as follows:

Municipal Manager – Resigned on 14 January 2015

Acting Municipal Manager – Seconded from 15 January 2015 until 30 September 2015

Chief Financial Officer – Filled 20 March 2014 until 31 May 2017

Manager Community Services – Filled 1 February 2012 until 31 January 2017

Manager Planning & Development – Filled 4 December 2013 until 31 May 2017

Manager Corporate Services – Filled 1 October 2014 until 31 May 2017

Manager Technical Services – Filled 1 October 2014 until 31 May 2017

1.6. AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT

For the 2014/2015 financial year the municipality has received the same audit outcome opinion as the one received in the 2011/15 financial year. The basis of the disclaimed was on the following items.

- (a) Revenue from exchange transaction
- (b) Revenue from non –exchange transaction
- © Property ,plant and Equipments
- (d) Provision
- (e) Cash flow
- (f) Commitments
- (g) Irregular expenditure

(h) Debt impairment

The municipality has then developed an action plan to deal with the issues raised by the Auditor General, In order for the municipality to also improve on the audit outcome , a clean audit committee has being established to monitor the implementation of the action plan.

1.7. STATUTORY ANNUAL REPORT PROCESS

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period.	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise 4 th quarter Report for previous financial year	
4	Submit draft 08/09 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General.	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General assesses draft Annual Report including consolidated Annual Financial Statements and Performance data	September - October
12	Municipalities receive and start to address the Auditor General's comments	November
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	December
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input.	January

CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

The municipality is a category B municipality situated in the Nkangala District. The Executive Mayor is the political head of the Municipality and the Municipal Manager is heading the Administration side of the municipality. The Municipal Council consist of 15 Councillors chaired by the Speaker of Council.

2.1 POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

The municipality consists of 15 Councillors, 5 full time and 10 part time Councillors with the positions of Executive Mayor, Speaker and three Members of the Mayoral Committee appointed on a full time basis. Administratively, the municipality is managed by the Municipal Manager with the assistance of the Chief Financial Officer (CFO), Manager Planning and Development, Manager Community Services, Manager Technical Services and Manager Corporate Services responsible for their respective departments.

The committees of Council are in place and functioning effectively. The section 80 committees, chaired by Members of the Mayoral Committee (MMC's), discuss and consider motions and reports submitted by management and make recommendations to the Mayoral Committee.

The Section 79 committees chaired by Councillors appointed by Council, play an oversight role on the implementation of Council resolutions. These Committees are chaired by the non executive Councillors.

The Municipal Public Accounts Committee oversees the oversight role on the executive functions of Council to ensure good governance and it submits reports to Council on a quarterly basis with its recommendations.

The municipality uses the services of the shared Joint Audit Committee established by the Nkangala District Municipality.

Risk Management Committee comprises of a member of the Joint Audit Committee as a Chairperson, Senior Managers, Internal Audit and Risk Officer. The responsibility of the Risk Management Committee is to lay an oversight role on the implementation of remedial actions on risks identified. Detailed information on the number of Committees and its functions is attached on **Appendix B**

POLITICAL STRUCTURE



EXECUTIVE MAYOR
(Clr. X.S. Ngwenya)

Responsible for Council's executive function



SPEAKER
(Clr. M. Kambula)

Chairperson of Council

Photos (optional)

MAYORAL COMMITTEE/ EXECUTIVE COMMITTEE



MMC: CORPORATE SERVICES
Clr. N.A. Mashele



MMC: TECHNICAL & COMMUNITY SERVICES
Clr. M.U. Hadebe



MMC: FINANCE & ECONOMIC AFFAIRS
Clr. E.S. Radebe

POLITICAL DECISION-TAKING

The main political decision is taken during the Council Sitings which is chaired by the Speaker of Council. The Mayoral Committee chaired by the Executive Mayor consists of three Members who are chairpersons of the three Section 80 portfolio Committees. The section 80 portfolio Committees considers items and reports submitted by Administration and

make recommendations to Council. The implementation of Council resolutions is monitored through the three Section 79 Committees established by Council to play oversight on the implementation.

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

Administratively, the municipality is managed by the Municipal Manager with the assistance of the Chief Financial Officer (CFO), Manager Planning and Development, Manager Community Services, Manager Technical Services and Manager Corporate Services responsible for their respective departments.

The municipality established a Management Committee which consists of the Municipal Manager as the Chairperson and the other Senior Managers as members. The Committee discusses and make recommendations on matters that need Council resolutions and take decisions on delegated matters.

Each Manager is required to submit a monthly report to the Committee to report on all issues relevant to his/her department and to also report on their annual Service Delivery and Budget Implementation Plans. After deliberations by the Management Committee, the matters are then referred to the Section 80 Committee which is a Committee of Council with recommendations as mentioned above.

ACTING MUNICIPAL MANAGER MRS. E.K. TSHABALALA	Internal Audit, Risk Management, Performance Management, Public Participation, Transversal Issues and Youth
MRS. M.M. NGWENYA CHIEF FINANCIAL OFFICER	Income, Expenditure, Supply Chain Management, Budget and Financials
MR. L.D. MKHONZA MANAGER PLANNING & DEVELOPMENT	Integrated Development Planning, Local Economic Development, Urban and Rural Development
MR. L.O.SINDANE MANAGER TECHNICAL SERVICES	Water, Sanitation, Electricity, Roads and Stormwater
MRS. N.SINGH MANAGER COMMUNITY SERVICES	Waste Management, Public Safety and Security, Licensing, Environmental Management and Public Amenities.
MR. M.I. ABDULLAH MANAGER CORPORATE SERVICES	Legal Services, Labour Relations and Compliance, Human Resources Management, Information Communication Technology, Records Management and Administration

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

The municipality is engaging in intergovernmental relationships on the level of the District Municipality and Provincial Government through structures and committees but most importantly through legislated functions the government on upper levels than locals should perform. As COGTA is responsible for municipalities so is our municipality in terms of

monitoring on governance and administration , development based on Integrated Development Plans that are submitted by the municipality .Further the monitoring of projects implementation .In governance , apart from the Council , provincial government has introduced the Ward Committee model to strengthen service delivery .

2.3 INTERGOVERNMENTAL RELATIONS

NATIONAL INTERGOVERNMENTAL STRUCTURES

Through the Municipal Finance Improvement Grant Phase 2 established by the National Treasury, the National Treasury seconded a Technical Advisor to assist and advise the municipality on financial management and other related matters. The Technical Advisor reports to Council and National Treasury on a monthly basis.

The Department of Co-operative Governance and Traditional Affairs develop policy directives and guidelines in order to assist the municipalities in governance matters, namely, Back to Basic Initiative. The report covers the following five pillars

(i) putting people first (ii) service delivery (iii) good governance (iv) financial management and (v) institutional capability. Municipalities are requested the progress report on interventions implemented to address findings identified.

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

Provincial Treasury is assisting the municipality in terms of records management together with the Provincial Archives through the establishment of the Records Management Forum which sits bi-monthly. Treasury also assist the Financial Services Department and also advised in terms of the implementation of the MFMA and National Treasury circulars.

SALGA is the employer organization responsible for representing municipalities in the South African Local Bargaining Council.

RELATIONSHIPS WITH MUNICIPAL ENTITIES

Currently the municipality has not established any entity yet.

DISTRICT INTERGOVERNMENTAL STRUCTURES

In the level of the District Municipality , there is an Executive Mayors Forum , Speakers Forum , Chief Whip Forum , Municipal Forum , IDP Forum ,LED Forum , HIV/AIDS District Council where our municipality participate .Above all the committees mention , there are Local Government Forum of the District which comprise of all the Executive Mayors , Speakers and Chief Whips which sits regularly to monitor governance and administrations to implement resolutions .District municipality do convene meetings of mutual development with the municipality in terms of projects and programmes.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

The ward committees are established and operational in the wards with the CDWs availability to inform the community on any matters of local governance.

The municipality has a weekly service delivery meetings chaired by the ward councillors, inclusive of the ward committee members and the municipal technical and community services officials.

The municipality is also involved with the I.DP Consultative forum that takes place after the IDP Consultative meetings are concluded.

Stakeholders Forum meetings are organised on a monthly basis through the Office of the Speaker attended by ward committees, CDWs and various sector departments.

The Municipality has adopted the new development coordinating model (War Room) in addressing community issues as a community, government and private sector driven approach.

2.4 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

The municipality holds public feedback meetings bi-monthly in all wards in which meetings the community is allowed to raise issues for the attention of the municipality that are processed to the administration for responses. To .the meetings are attended by more than 100 community members on a bi-monthly basis. The meetings have a standard agenda as a feedback on issues raised previously and new developments from the municipality.

The ward based Development Coordinating model (war room) is established in all wards chaired by ward councilors with CDWs providing secretariat services. The war room meetings are attended by all ward based stakeholders and sectors. Each ward war room has more than 10 stakeholder representatives.

The municipal website is managed through the ICT unit within corporate services with a page used for public participation matters that are communicated to the public on a monthly basis.

WARD COMMITTEES

The municipality established ward committees in all its 8 wards that were established with 10 members with the CDWs as ex-officio members.

The ward committees ensure that the community is informed on all municipal developments and issues while they also liaise the community with the municipality.

The ward committee engages with the ward sectors and community organizations on matters of local government and provides feedback to the community while noting and addressing community issues.

PUBLIC MEETINGS					
Nature and purpose of the meeting	Date of events	Number of participating Municipal Councilors'	Number of Participating Municipal Administrators	Number of Community Members attending	Dates and manner of feedback given to Community
community feedback meetings		1	None	1257	July 2014 to June 2015 ward based community meetings
IDP Consultative meetings		1	8	796	October 2014 ward based community meetings
Stakeholders Forum		3	1	68	July 2014 to June 2015 local stakeholder forum (boardroom based)
Budget consultative meetings			8	250	May 2015 ward based community meetings

COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:

The following key benefits are derived from the public meetings:

Direct link with the community, Understanding the community issues, immediate address to community issues, Interrelations, Closing the communication gap, Community is able to forward their complaints without fear, Understanding of the structures and systems that exist within the community and the municipality

2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes

COMPONENT D: CORPORATE GOVERNANCE

2.6 RISK MANAGEMENT

RISK MANAGEMENT

Risk refers to an unwanted outcome, that threatens or has potential to derail the municipality from attaining its mandate of service delivery and other performance objectives. Section 62 (1) (c) (i) of Municipal Finance Management Act (MFMA) requires a municipality to have and maintain an effective, efficient and transparent system of risk management. In order to give effect to the above the Accounting Officer (AO) in consultation with the Municipal Council has established the Risk Management Committee.

The Risk Management Committee (RMC) is an oversight committee responsible to the Accounting Authority for the monitoring of risk management which includes assisting in designing, implementing and coordinating the institution's risk management initiatives. Its constitution is made up of both independent members appointed by the Municipal Council and members of Senior Management. It assists the AO in addressing its oversight requirements of managing, evaluating and monitoring the organizational performance with regard to risk management.

Risk Management aims to identify and mitigate risks that could negatively affect the achievement of the Municipalities strategic and operational objectives. To that end, a strategic risk register was developed and major risks were identified that affects the functioning of the organization. The risks were analysed and mitigation and implementation plans developed. The risks will be monitored to assess effectiveness on an ongoing basis.

2.7 ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI-CORRUPTION STRATEGY

Council adopted its Anti Corruption and Fraud policy which objectives is aimed at setting a tone through which management commits themselves to rejecting fraud and corruption in the Municipality. The policy is binding to all the employees and councillors of the thereby aimed at creating culture which is intolerance to unethical conduct of fraud and corruption.

It is the Municipality's policy that no fraud will be tolerated, all alleged fraud will be investigated and all transgressors shall be punished both through disciplinary and legal channels to the fullest extent of law.

The main principles underpinning the policy and the Plan are the following:

- Creating a culture which is intolerance of fraud and corruption
- Deterrence of fraud and corruption
- Preventing fraud and corruption
- Detecting of fraud and corruption
- Investigation detected fraud and corruption
- Taking appropriate action against fraudsters and corrupt individuals such as through prosecution and disciplinary action and;
- Applying sanctions which include redress of financial losses.

Council further adopted the Whistle blowing policy and as a way to discourage and do away with corruption has included rewards in case where information provided by whistle blowers would lead to successful prosecution and apprehending of suspects.

A culture of non tolerance to fraud and corruption is not only promoted but also practiced in that incidents relating to such involving municipal employees were investigated by council.

2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT

The Council has developed a Supply Chain Management (SCM) Policy and practices in compliance with the guidelines set down by the Supply Chain Management Regulations, 2005, which was approved with effect from 1 March 2006. The new Preferential Procurement Regulations, 2011, with effect from 7 December 2011 was incorporated in the reviewed policy to be effected in (2015/16) and adopted. The SCM Policy incorporating the abovementioned regulations, as well as all other relevant legislation, regulations and circulars and are annually reviewed with the budget process.

The municipality has established the three (3) bid committee system. No councillors are members of any committee of the committees handling supply chain processes.

The supply chain officials are currently attending accredited training modules to meet the requirements of the minimum competency levels. Two senior and middle management supply chain officials are yet to complete the necessary competency levels.

2.9 BY-LAWS

By-laws Introduced during Year 0					
Newly Developed	Revised	Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)	Dates of Public Participation	By-Laws Gazetted* (Yes/No)	Date of Publication
By-Law on Credit Management		Yes	2 September 2013	No	Not yet published
By-Law on Nuisance and Offensive Conditions		Yes	2 September 2013	No	Not yet published
By-Law on Street Trading		Yes	2 September 2013	No	Not yet published
By-Law on Standing Rules & Order		Yes	2 September 2013	No	Not yet published
By-Law on Traffic		Yes	2 September 2013	No	Not yet published
By-Law on Waste Management		Yes	2 September 2013	No	Not yet published
By-Law on Generic Rates		Yes	2 September 2013	No	Not yet published
By-Law on Outdoor Advertisement		Yes	2 September 2013	No	Not yet published
Draft Spatial Planning and Land Use Management by-law	New by-law	Advertised for public comments		No	Not yet published

COMMENT ON BY-LAWS:

The MSA provides municipal councils with the legislative authority to pass and implement by-laws for the betterment of the community within the terms of the legislation. The above By-Laws were approved by Council as drafts and have been submitted to the magistrate court for determination of fees.

2.10 WEBSITES

Municipal Website: Content and Currency Material		
Documents published on the municipal website	Yes/No	Publishing Date
Current Annual and adjustments and all budget related documents	Yes	March 2015
All current budget related policies	Yes	
The previous Annual Report 2014/2015	Yes	July 2015
The Annual Report published	Yes	July 2015
All current performance agreements required in terms of section 57 (1)(b) of the Municipal Systems Act and resulting scorecards	Yes	February 2015
All service delivery agreements (2014/2015)	No	
All long term borrowing contracts (2014/2015)	No	
All supply chain management contracts above a prescribed value(give value) 2014/2015	Yes	Published on Tender web page, as when contracts are awarded.
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14(2) or (4) during 2014/2015	No	
Contracts agreed in 2014/2015 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	Yes	Published on Tender web page, as when contracts are awarded.
Public Private Partnership Agreements referred to in section 120 made in 2013/2014	Yes	Published on Project web page, as when agreements are made.
All quarterly reports tabled in the Council 52(d) during 2014-15	No	

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

An improvement by managers submitting items for publications compared to 2013-14 has increased the content of information on the website

"PC's for Libraries" a project by government. Enabled all libraries within the municipality to give free internet access to the public. ICT has an obligation to assist in the maintenance of the PC's.

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

PUBLIC SATISFACTION LEVELS

During 2014/2015 financial year, the Nkangala District Municipality recruited 793 community participants and enrolled them in the study for the purpose of community satisfaction survey. The profile of the subjects who participated in the study were;

- 39.5% of the participants were males and 60.5% were females
- 99.0% were blacks
- 0.9% Indians/Asians
- Majority of the participants were between 18-35 age group

The aim of the survey was to determine the community's satisfaction in terms of the services rendered by the municipality. The survey focused on water, electricity, residential streets, roads, water and sanitation, refuse removal and fire and rescue services, environmental protection and bio-diversity. The outcomes of the survey were as follows;

- Electricity supply
 - 20% extremely satisfied
 - 42% satisfied with room for improvement

35% poor with room for improvement
3% neutral

- Residential streets, roads, sidewalks and pavements

69.6% said roads are tarred
25% said roads are not tarred
37.4% said roads are in good conditions
22.2% said the municipality does not respond to potholes
57.4% said they have not lodged complaints in the municipality for the last 3 months
33.9% said they sometimes experience flooding in their areas
42.2% said they have not experienced flooding
64.5% had not lodge complaints on flooding in the past 3 months
42.2% rated municipal attendance to storm water as satisfactory

- Water and sanitation

77.7% have clean pipe water in their household
52.2% trust the cleanliness of the water
41.4% said their water does get interrupted sometimes
58.8% said they never got water breakage in the past 3 months
30% satisfied with water supply and room for improvement

- Refuse removal

84% refuse removal collected at-least once weekly
87.3% not complaint in the past 3 months
54.3% satisfied with refuse collection

- Environmental protection, Air pollution and water pollution

59.6% reported not aware of air pollution management in the municipality

- Biodiversity

55.5% reported not aware on biodiversity in the municipality

- Fire and Rescue service

Of a 463 community respondents

71.1% rated personnel capable of doing their work
Of a 570 community respondents
58.2% said they have access to the personnel

Satisfaction Surveys Undertaken during 2013/2014 and 2014/2015				
Subject matter of survey	Survey method	Survey date	No of people included in survey	Survey results indicating satisfaction or better (%)*
Overall satisfaction with:	Scale Ratings	June 2014	793	
(a) Municipality	scale from 1 - 5	2014/2015	N/A	35% felt the municipality is accessible
(b) Municipal Service Delivery	scale from 1 - 5	2014/2015		35% felt the municipality is accessible 21% felt the frontline staff is helpful and friendly
(c) Mayor	n/a	2014/2015	n/a	not done
Satisfaction with:				
(a) Refuse Collection	participatory and interactive	2014/2015		54.3% satisfied
(b) Road Maintenance	participatory and interactive	2014/2015	556	37.4% said the roads are in good conditions
(c) Electricity Supply	participatory and interactive	2014/2015	568	42% satisfied, but with room for improvement
(d) Water Supply	participatory and interactive	2014/2015	225	30% satisfied
(e) Sanitation	participatory and interactive	2014/2015	772	331 satisfied, but with room for improvement
(f) Information supplied by municipality to the public	participatory and interactive	2014/2015	n/a	24% indicated that they are not informed
(g) Opportunities for consultation on municipal affairs	participatory and interactive	2014/2015	n/a	51% felt the ward committee system is effective
* The percentage indicates the proportion of those surveyed that believed that relevant performance was at least satisfactory				T2.11.2

COMMENT ON SATISFACTION LEVELS:

The Municipality has adopted the new stakeholder and community engagement model (war room) and also holds weekly service delivery meetings attended by ward committee members. The website is one tool used for members of the community that opt to read than attend community meetings.

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

COMPONENT A: BASIC SERVICES

INTRODUCTION TO BASIC SERVICES

The feasibility study for Enkanini Township establishment was concluded and waiting for the appointment of a Land Surveyor to conclude the layout plan and pegging. Gugulethu Township in Emgwenya has not been finalized yet.

- 12472 Households are receiving electricity daily and most of the outages are resolved within 24 hours. Electrification of 114 houses in Emthonjeni Enkanini and Extension 4 was done with Nkangala funding. Census 2011 electrification backlogs were reduced by 114 new connections in Emthonjeni Enkanini and Extension 4 as well 104 new connections in rural areas, this assisted in the further reduction of electrical backlogs identified in the Census 2011.
- The total sewer blockages resolved in the financial year 577.
- Dullstroom WWTW's upgrade from 1ML/day to 2ML/day is in the process of being finalised, there are few outstanding matters.
- The municipality is struggling to recruit Technicians who will assist with the plants and pump stations.
- Water Services Development Plan was approved by council.
- Dullstroom Water Treatment Works is being upgraded in phases.
- Emthonjeni Waste Water treatment Works will be refurbished in the next financial year through the Accelerated Infrastructure Programme.
- Entokozweni Water Treatment Works will be refurbished through the support from Nkomati mine in the next financial year.
- Emgwenya refurbishment of the Waste Water Treatment Works supported by the Nkomati Mine is in the process of being finalized.
- The monitoring of waste water and water treatment works was continuously to achieve good results on blue and green drop assessments.
- The continuous water supply to communities was achieved with the repair and maintenance work done to keep a constant supply efficiently and good quality of effluent:
- Water is constantly provided to the community. Bills for water use are issued by finance each month.
- Water is constantly provided to the community, Water meter and pipe leakages as well as new connections were executed to ensure access to water.

3.1. WATER PROVISION

INTRODUCTION TO WATER PROVISION

Emakhazeni Local Municipality is a water services authority. This means that the Municipality is authorized in terms of National Water Act, 1998 and Water Services Act 1997 as well as General Enabling Act, 2005 to purify water for the use of such by the end-users which are the members of the community.

The Municipality, through the Nkangala District Municipality has revised the WSDP which was adopted by council. The Municipality is purifying water at four systems which are Emakhazeni, Entokozweni, Emgwenya and Dullstroom water works. In terms of our water services development plan (WSDP), 94% of the overall Emakhazeni population have access to 25L/day. The 6% of the population do not have access to at least 25L/day. Only 97% of the population has access tap water supply within 200 meter radius, therefore 3% of the population cannot access water supply to within 200m radius, mainly the rural communities. The water tanker is distributing 4 464 Kiloliters per week to rural communities.

The rising main in Entokozweni was upgraded for an amount of R187 349.82 to improve water provision and sustainability of supply. Efforts to deal with the water provision backlogs in rural areas were maintained through the R 3 000 000 – 00 project of water supply in rural areas phase 5 wherein windmills and reticulation was done. The water pressure issue of Emakhazeni Extension 3 which existed since the settlement was established has been resolved through a R369 562.92 project funded by Municipal Infrastructure grant.

Water Services					
Capital projects	budget	Adjustment budget	Actual expenditure	Variance from original budget	Total project value
Upgrading of WTW (Dullstroom)	R3 386 000 - 00	-	R3 386 000 - 00	0%	R3 386 000 - 00
Water supply in rural areas phase 6	R 3 000 000 - 00	-	R 3 000 000 - 00	0%	R 3 000 000 - 00
Water Provision for 114 stands in Emtonjeni and Enkanini Extension 4	R 1 280 000 - 00	-	R 1 280 000 - 00	100%	R 1 280 000 - 00
Refurbishment of the corroded elevated tank	R482 000.00	R 85 437 – 08	R369 562.92	23.3%	R369 562.92
Water Provision for 150 stands in Madala Township	R 3 216 457 - 71	-	R 3 244 544 - 42	0%	R 3 244 544 - 42

COMMENT ON WATER USE BY SECTOR:

There are more households that access water through pipes inside their households, that is, 14 579 households with access to water by the end of the financial year. It be noted that those that the number of households with access to water has increased to 96% by the end of the financial year compared to 93% as per the 2011 Census. Water supply in rural areas has been improved to windmills only, which process will assist in the implementation of waterborne sanitation in rural areas.

Description	Households	
	2013/15	2014/15
	Actual	Actual
	No.	No.
<u>Water: (above min level)</u>		
Piped water inside dwelling	7973	8624
Piped water inside yard (but not in dwelling)	4562	5341
Using public tap (stand pipes)		
Use in public tap (within 200m)	725	725
<i>Minimum Service Level and Above sub-total</i>	13260	14 579
<i>Minimum Service Level and Above Percentage</i>	96.6	96.6
<u>Water: (below min level)</u>		
Using public tap (more than 200m from dwelling)	198	198
Other water supply (more than 200m from dwelling)	89	89
No water supply	642	642
<i>Below Minimum Service Level sub-total</i>	929	929
<i>Below Minimum Service Level Percentage</i>	3.4%	3.4%
Total number of households*	0	0

* - To include informal settlements

Access to Water			
	Proportion of households with access to water points*	Proportion of households with access to piped water	Proportion of households receiving 6 kl free#
Year -2014/15	(606) 4%	(13 973) 92%	(14 579) 96%
Year – 2013/14	(342) 2.4%	(13222) 93.2	(13 564) 95.6%
Year 2012/13	(1021) 7.4%	(12057) 87.8%	(13078) 95.3%

Employees: Water Services					
Job Level	2013/2014		2014/2015		
	Employees No	Post No	Employees No	Vacancies(fulltime equivalent No	Vacancies (as a % of total posts)%
0-3					
4-6	14	2	14	2	12.5
7-9					
10-12					
13-15					
16-18					
19-20					
Total					

Financial Performance: Water Services					
Details	2013/2014	2014/2015			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	11,912,067	12,380,182	11,474,644	13,314,192	-16%
Expenditure:					
Employees	-	3,311,612	3,311,612	2,671,456	19%
Repairs and Maintenance	10,090	1,489,500	1,224,500	4,550	100%
Other	6,470,763	2,622,368	2,407,112	3,905,717	-62%
Total Operational Expenditure	6,480,853	7,423,480	6,943,224	6,581,723	5%
Net Operational Expenditure	5,431,214	4,956,702	4,531,420	6,732,469	-49%

COMMENT ON WATER SERVICES PERFORMANCE OVERALL:

The Municipality is targeting to have water supply to all communities who do not have access to water. The census 2011 indicates that there are 642 households without water. Since the census was done, 77 households benefitted from windmills in the rural areas. In total 125 households out of 642 do have water at the end of June 2015. The four water treatment works were upgraded in 2013/2014 financial year.

3.2 WASTE WATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

The municipality continues to provide communities with sanitation services. The waste water systems were operated and maintained according to comply with SANS 241 standard. There are four waste water treatment works in Emakhazeni Local Municipality, (that is in Dullstroom, Emakhazeni, Emthonjeni and Emgwenya) linked to the treatment works are pumpstations. Province has resolved to discontinue the installation of VIP toilets. The municipality has responded accordingly, thus 30 waterborne sanitation toilets were installed in ward 2, Ongesiens farm.

The waste water treatment works in Emgwenya was refurbished whilst the Dullstroom one was upgraded to meet the required standard. The Dullstroom upgrading started in 2011/2012, and is now in the final stages. The Emgwenya WWTW's was being refurbished during 2013/2014 financial year with the assistance from our social partner (Nkomati Mine) the waste water risk abatement (W2RAP's) plans were completed (this will assist with the green drop assessment by DWA). The refurbishment of the WWTW's is actually a step forward the green drop requirements. Service providers are required to put up an operation and maintenance manual after each refurbishment.

The Community needs are identified in terms of chapter 4 Section 16(1)(a)(i) of the systems act where communities living in poverty are identified. Thereafter, specific intervention is introduced by Council to assist such communities.

Description	Sanitation Service Delivery Level			
	Households			
	2013/2014	2014/2015		
	No	No		
Sanitation/sewerage (above minimum level)				
Flush toilet (connected to sewerage)	10217	10652		
Flush toilet (with septic tank)	452	452		
Chemical toilet	115	115		
Pit toilet (ventilated)	228	228		
Other toilet provision (above min service level) Min service level and above total				
Sanitation /Sewerage (below minimum level)				
Bucket toilet	0	0		
Other toilet provisions (below min service Level)	391	391		
No toilet provisions				
Below Minimum Service Level sub-total	893	893		
Below Minimum Service Level percentage	2824	2824		
As per Stats SA 2011 below RDP	21%	21%		
Households – Sanitation Service Delivery Levels Below the minimum				
Description	2013/2014		2014/2015	
	Actual No	Original Budget	Adjusted Budget	
Formal Settlements				
Total Households	13721		13721	
Households below minimum service levels	2824		2512	
Proportion of households below minimum service level	20.5%		18.3%	
Informal Settlements				
Total Households	312		312	
Households below minimum service level	312		312	
Proportion of households below minimum service level	2.3%		2.3%	

Waste Water Sanitation Services Policy Taken from IDP						
Service Objectives	Service Indicator	Outline service targets	2013/2015		2014/2015	
			Target	Actual	Target	Actual
To provide adequate and appropriate water and sewer services to all communities in Emakhazeni.	Free flow of raw sewer through the system to the treatment works	To reduce the blockage incidences to lower than 360 per year	180	568 incidences occurred, especially with the most in Emgwenya.	360	577

Capital Projects : Waste Water Services					
Capital Projects	2014/2015				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Emthonjeni Ext. 4 and Enkanini Township: Provision of waterborne sanitation for 800 stands phase 1	R 987 482.39	-	R 987 482.39	0%	R 987 482.39
Madala Township: Provision of waterborne sanitation for 500 stands phase 1	R 2 270 435.28	-	R 2 267 680.03	0.13%	R 2 270 435.28

Employees: Sanitation Services					
Job Level	2013/2014		2014/2015		
	Employees No	Post No	Employees No	Vacancies(fulltime equivalent	Vacancies (as a % of total posts)%
			No	No	
0-3					
4-6	15	16	14	2	12.5
7-9					
10-12					
13-15					
16-18					
19-20					
Total					

Financial Performance: Sanitation Services					
Details	2013/2014	2014/2015			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	7,721,037	8,303,637	8,289,187	8,150,360	2%
Expenditure:					
Employees	4,690,108	5,045,619	5,045,619	4,556,116	10%
Repairs and Maintenance	624,984	1,051,500	691,500	242,035	65%
Other	206,292	913,634	813,634	455,178	44%
Total Operational Expenditure	5,521,384	7,010,753	6,550,753	5,253,330	20%
Net Operational Expenditure	2,199,652	1,292,884	1,738,434	2,897,030	-67%

COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL:

The municipality is striving to maintain the sewer systems in excellent status to ensure that communities receive sanitation services. The backlogs are also being attended to ensure the realisation of the national targets as set, farm areas continue to pose some challenges in this regard.

Challenges involve the maintenance of all existing infrastructure, the capital required to install new infrastructure and the staff required to maintain the entire existing infrastructure. In all areas of ELM there are major housing developments and other projects like schools, community halls commercial and densification. This highlight the necessity for a detailed sanitation master plan for all towns projecting 10 – 15 year horizon to allow capital expenditure to be estimated and applied for to allow the whole system to be upgraded to ensure the network capability is always in front of the demand.

3.3 ELECTRICITY

INTRODUCTION TO ELECTRICITY

Electricity services in South Africa are at crossroads. National economic growth has outstripped available generation capacity, while the regulatory uncertainty has undermined effective management of distribution assets at the municipal level. Like many municipalities, Emakhazeni local municipality being a small municipality in population size, consumers are now experiencing significant price rises that are necessary to pay for expanding generation capacity coupled with financial and operational challenges in securing municipal distribution networks. The municipal distribution network covers households, businesses and municipal own consumption. The municipality with the assistance of Department of Energy has started on the electrification of rural areas, which are comprising a larger proportion of the backlogs identified by Census 2011. The network in the lower part of Emakhazeni which was a challenge for some time has been resolved and upgraded. The Siyathuthuka network has also been upgraded and the outstanding ring feeds completed. The municipality is still experiencing serious challenges of upgrading Eskom's Nominated Maximum Demand and the funding of the Electrical Master Plan..

Electricity Service Delivery Levels				
Households				
Description	Year -3	Year -2	Year -1	Year 0
	Actual No.	Actual No.	Actual No.	Actual No.
<i>Energy: (above minimum level)</i>				
Electricity (at least min.service level)	13 041	12 825	12 689	11505
Electricity - prepaid (min.service level)				
<i>Minimum Service Level and Above sub-total</i>				
<i>Minimum Service Level and Above Percentage</i>				
<i>Energy: (below minimum level)</i>				
Electricity (< min.service level)				
Electricity - prepaid (< min. service level)	0	0	0	0
Other energy sources				
<i>Below Minimum Service Level sub-total</i>				
<i>Below Minimum Service Level Percentage</i>				
Total number of households				

Electricity Services Policy Taken from IDP						
Service Objectives	Service Indicator	Outline service targets	2014/2015		2014/2015	
			Target	Actual	Target	Actual
To provide adequate and reliable electricity services to all communities in Emakhazeni.	End users accessing electricity supply with minimal interruption.	100% of (11507) households and businesses to be supplied with electricity	100% of (9313) households and businesses to be supplied with electricity	100% of (9313) households and businesses to be supplied with electricity	98% of (11507) households and businesses to be supplied with electricity	100% of (11507) households and businesses to be supplied with electricity

Employees: Electricity Services					
Job Level	2013/2014		2014/2015		
	Employees No	Post No	Employees No	Vacancies(fulltime equivalent No	Vacancies (as a % of total posts)%
0-3					
4-6	0	1	1	1	100
7-9					
10-12	3	6	6	0	0
13-15	1	1	1	0	0
16-18					
19-20					
Total	4	7	8	1	12.5

Financial Performance: Electricity Services					
Details	2013/2014	2014/2015			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	35,865,756	44,899,533	39,638,871	33,487,606	16%
Expenditure:					
Employees	2,249,064	3,163,104	3,163,104	2,542,407	20%
Repairs and Maintenance	894,624	2,258,120	1,593,120	468,291	71%
Other	35,683,257	41,653,173	41,403,173	40,084,072	3%
Total Operational Expenditure	38,826,945	47,074,397	46,159,397	43,094,769	7%
Net Operational Expenditure	-2,961,189	-2,174,864	-6,520,526	-9,607,163	-47%

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

Emakhazeni Local Municipality is a license holder to distribute electricity to areas such as Emakhazeni (Belfast) Entokozweni (Machadodorp) and Emgwenya (Waterval Boven), in terms of the electricity regulations act no.4 of 2006. Eskom is supplying electricity to the Municipality up to our switch rooms where the intake from the Municipal side distributes the power to the end users. The Notified Maximum Demand is being exceeded by the Municipality especially during the winter period.

3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

INTRODUCTION TO WASTE MANAGEMENT

Emakhazeni Local Municipality strives to ensure that 100% households in urban areas receive a refuse collection service once per week and the urban businesses receive the service twice per week. In terms of the Census 2011 Statistics it was indicated that 9844 households receive a weekly waste collection service, 630 households receive less than a weekly service, 2659 households make use of their own dumps and 589 receive no refuse removal services. It is however unclear whether these households include the rural households, as the municipality does not provide a service to rural communities.

The municipality achieved an 81,48% collection rate in urban areas during 2014/2015. Major challenges pertaining to refuse collection are the breakdown of trucks. The teams work overtime and on Saturdays in case of a breakdown to ensure weekly service delivery is on track. Compactor trucks are also shared between towns. The other contributor to the 100% achievement was due to the unprotected strike that the municipality faced during this financial year which has impacted negatively in ensuring 100% compliance in terms of all urban households being serviced on a weekly basis and rehabilitation of illegal dumping areas.

Refuse collection is provided to all formal households in Emakhazeni urban areas, which includes Indigent households. There are two informal settlement areas in Emgwenya and Entokozweni, which do not receive door-to-door weekly collection services, as these areas are very hard to access with compactor trucks. Bulk bins are placed in these areas which are emptied on a weekly basis but the residents in these areas also have other central dumping points which are cleaned monthly. Availability of TLB's and tipper trucks to clean these areas is the major challenge. EPWP workers have been appointed to assist with cleaning, as well as rehabilitation of illegal dumping sites.

The introduction of the CWP (Community works program) is also to some extent aimed at improving on the cleanliness of the municipal area. Initially challenges were faced as the program is not led by the municipality which makes giving instructions to participants a challenge. However, meetings have been held with the program Co-ordinator in drafting a program that can be used to guide participants on strategic areas within the municipal jurisdiction such as Business centre, main routes, parks and so forth for litter collection.

The municipality is custodian of four landfill sites that were inherited through the amalgamation of the four units. These sites were not licensed with the exception of the Emgwenya site that had received an authorisation. Dullstroom has received the permit for continued operations; Entokozweni has received the permit to operate with the view to closure and rehabilitation which was funded by DEA. These have been brought to the attention of Council as per resolution number: 07/02/2015 and the Emakhazeni site is currently in the process of the licensing for the new site operations through MIG funding.

Solid Waste Service Delivery Levels				
Description	Year -3	Year -2	Year -1	Households Year 0
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
<u>Solid Waste Removal: (Minimum level)</u>				
Removed at least once a week	9844	8203	8378	9844
<i>Minimum Service Level and Above sub-total</i>	9844	8203	8378	9844
<i>Minimum Service Level and Above percentage</i>	71.74 %	59,78 %	56,97%	71.74 %
<u>Solid Waste Removal: (Below minimum level)</u>				
Removed less frequently than once a week	0	1641	1914	0
	0	0	535	0
Using communal refuse dump	2659	2659	2659	2659
Using own refuse dump	0	0		0
Other rubbish disposal	589	589	589	589
No rubbish disposal	630	630	630	630
<i>Below Minimum Service Level sub-total</i>	28.26 %	40,22 %	43,03%	28.26 %
<i>Below Minimum Service Level percentage</i>	13 722	13 722	14705	13 722
Total number of households	9844	8203	8378	9844

Waste Management Service Policy Objectives							
Service Objectives	Outline Service Targets	2012-2013		2013-2014		2014-2015	
		Target	Actual	Target	Actual	Target	Actual
To provide a safe, effective and economical waste collection service	Ensure that 100 % of residents (urban areas) receive the service once per week and the businesses receive the service twice per week.	100 %	99.8 %	100 %	83.33 %	100%	81.4%
To maintain and provide appropriate landfill sites	Monitoring on the maintenance sessions that are expected to be conducted per year.	48	32 (67 %)	48	38 (79.2 %)	48	37 (77.1%)
To ensure that the general environment is protected and promoted in a sustainable way.	Cleaning sessions in illegal dumping sites	600	476 (79 %)	480	714 (148.75 %)	480	713 (148.54%)
	Illegal dumping sites to be rehabilitated	16	17 (106 %)	18	8 (44.4 %)	14	7 (50%)

Employees: Solid Waste Management Services					
Job Level	2013/2014		2014/2015		
	Employees No	Post No	Employees No	Vacancies(fulltime equivalent No)	Vacancies (as a % of total posts)%
0-3	56	60	49	9	18
4-6	2	4	4	0	0
7-9	2	4	4	0	0
10-12					
13-15					
16-18					
19-20					
Total	60	68	58	9	0.6

Financial Performance: Waste Management Services					
Details	2013/2014	2014/2015			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	7,806,109	8,487,064	8,487,064	8,662,392	-2%
Expenditure:					
Employees	5,148,181	5,938,411	5,938,411	4,973,852	16%
Repairs and Maintenance	2,585,703	1,318,493	1,258,293	913,725	27%
Other	620,385	2,968,800	2,818,800	10,403,788	-269%
Total Operational Expenditure	8,354,270	10,225,704	10,015,504	16,291,365	-63%
Net Operational Expenditure	-548,161	-1,738,640	-1,528,440	-7,628,973	-399%

COMMENT ON WASTE MANGEMENT SERVICE PERFORMANCE OVERALL:

The municipality achieved an 81.48% collection rate in urban areas, cleaning of illegal dumping sites sessions were 480 cleaning sessions of which 713 cleaning sessions were achieved (148.54 %) and the target for rehabilitation of illegal dumping sites was 14 sites rehabilitated of which 7 sites were rehabilitated (50 %).

The Emakhazeni landfill site project is a MIG Project and the original budget for 2013/2014 was R 3 000 000.00. The initial budget was for the license application, as well as the first phase of construction, but the budget was adjusted to R 43 231.70 due to revised plans which delayed the whole project. Only R 8 298.13 of the revised budget was spent for services rendered by Clean Stream Consultants.

Application for license was done by Clean Stream Consultants and was forwarded to the relevant Government Departments for approval. Awaiting final approval of license application and issuing of license. The Department of Environmental Affairs was also in the process to make applications for the Machadodorp and the Dullstroom landfill sites. A company by the name of Klimopax was appointed by the Department to conduct this project with the anticipation of licenses to be concluded in the 2014/15 financial year.

The unprotected strike that employees embarked upon during the third and fourth quarters (March and April 2014) of the financial year impacted largely on the weekly service delivery targets not being met and as such volunteers were also sourced to assist with a minimum service delivery which in turn led to the number of less than weekly services being increased and the number of weekly collection services being decreased during the 2013/14 financial year.

3.5 HOUSING

INTRODUCTION TO HOUSING

Human Settlement means the totality of the human community, whether city, town or village with all the social, material, organizational, spiritual and cultural elements that sustains it. In terms of the old approach people were settled in terms of their racial groups without a right of ownership of land, which was influenced by legislation such as a Group Areas Act and Separation of amenities. In terms of the new approach human settlement involves acquiring of land, building proper integrated human settlement with basic services e.g. the current integrated development in Extension 6 and 8 Siyathuthuka.

Due to continuous growth patterns in South Africa and specifically the provincial growth development strategy highlighting economic developments that entice and redirect economically active population to follow greener pastures, the need for housing has increased. Due to this expansion in areas such as Nkomati, Assmang and other surrounding mines there is need for rental stock, low cost housing and middle income housing especially in Emgwenya, Entokozweni and Emakhazeni. This has resulted to high demand of accommodation by job seekers and eventual the informal settlements erupted.

These patterns are also evident in Emakhazeni Local Municipality where the areas such as Sakhelwe (Shushumela) we recorded 60 shacks, in Emthonjeni (Enkanini) more than 250 units of informal settlement erupted and finally the area around Madala Township in Emakhazeni as well as Emgwenya in Etimbileni, Sgwabula and Mountain View showing signs of steady development. Emakhazeni has built through human settlement a housing stock settlement in both Entokozweni and Emgwenya which will serve as family units.

Emakhazeni as a whole has a backlog of 3 200 housing applications as per the municipal housing database. This prompted the Municipality to introduce a waiting list programme for beneficiaries who must be allocated housing.

The CIP of Emakhazeni shows the status quo on housing in table 12 below and also the budget required addressing backlog. There have been challenges regarding the completion of RDP houses in the past. The Municipality managed to complete 171 houses in Siyathuthuka ext 3, however the project in Emthonjeni could not be completed. This is a project of 380 units which have been handed over back to the Department of Human Settlement for completion.

There are also 5 beneficiaries who were approved for houses but those houses have never been constructed. The project for the construction of 104 units in Siyathuthuka Extension 5 has been put on hold due to illegal occupation of those houses by illegal occupants. The matter was referred to the Department of Human Settlement in the province that has since appointed attorneys to apply for the eviction of the illegal occupants. This is causing a delay in the delivery of these houses to approved beneficiaries.

The municipality is currently having 2 projects for Integrated Human Settlement in Siyathuthuka Ext 5 where 104 units are being constructed and Sakhelwe where 110 units are being constructed.

Households with access to basic housing	
Type of dwelling	Households
House or brick/concrete block structure on a separate stand or yard or on a farm	10541
Traditional dwelling/hut/structure made of traditional materials	736
Flat or apartment in a block of flats	142
Cluster house in complex	12
Townhouse (semi-detached house in a complex)	11
Semi-detached house	123
House/flat/room in backyard	193
Informal dwelling (shack; in backyard)	618

Informal dwelling (shack; not in backyard; e.g. in an informal/squatter settlement or on a farm)	920
Room/flatlet on a property or larger dwelling/servants quarters/granny flat	208
Caravan/tent	32
Other	188

Housing Service Policy Objectives Taken From IDP									
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	Year 0		Year 1			Year 2	Year 3	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
	Service Objective xxx								
To meet the quality housing needs of residents in the municipal area of jurisdiction and minimize the spread of informal settlements.	Lobby department of Human Settlement to allocate housing units to address the housing backlog at Emakhazeni (Enkanini, Madala, Gugulethu and Sakhelwe ext 2)	Construct 72 family units in Emgwenya. Construct 174 family units in Emthonjeni Construct 253 units in Emthonjeni Ext 3.	72 CRU constructed in Emgwenya 174 CRU constructed in Emthonjeni 253 Units constructed in Emthonjeni ext 3	Service 480 stands in Siyathuthuka ext. 6 and 8 Construct 216 family units(CRU) IN Entokozweni	Construct 421 houses in Siyathuthuka Ext 6 and 8 Construct 20 houses with the assistance of Exxaro Mine	421 houses constructed in Siyathuthuka. Construct 20 houses with the assistance of Exxaro Mine.	Construct 110 houses in Sakhelwe. Construct 104 units in Siyathuthuka Ext. 5. Service 114 stands in Enkanini Service 500 stands in Madala. Assess building plans for the entire ELM jurisdiction.	Housing project put to hold due to illegal occupation of houses 50 houses constructed. The contract or is still on site. 114 stands serviced in Enkanini 250 stands serviced in Madala (This is a multi-year project).	Service 245 stands in Siyathuthuka Ext. 7. Construct 109houses in Siyathuthuka ext.7 Construct 57 houses in Sakhelwe

Employees: Housing Services					
Job Level	2013/2014		2014/2015		
	Employees No	Post No	Employees No	Vacancies(fulltime equivalent No)	Vacancies (as a % of total posts)%
0-3					
4-6					
7-9	2	2	2	0	0%
10-12	1	1	1	0	0%
13-15	0	1	1	0	0%
16-18					
19-20					
Total	3	4	4	0	0%

COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL:

The municipality is not accredited to deliver this mandate. This is the sole mandate of the provincial Department of Human Settlement. The budgeting, allocation of units, appointment of contractors and budget monitoring is the sole mandate of the department. The municipality makes application for housing allocation once it has serviced stands suitable for human habitation. The quality of the houses is however jointly monitored by the municipality and the department. The municipality also facilitates the sourcing of beneficiaries by assisting the community to fill application forms for housing allocations which applications are given to the department for further processing and approval.

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

The municipality have an indigent policy which guides how to provide for free basis services to those who are unemployed and to those who only receive social grants,. For the 2014/15 financial year the municipality had **1064** indigents who benefited on this indigent support . The indigents support is providing for the following services:

1. Electricity 50klw free per month
2. Water 6kl per month
3. Free refuse collection
- 4.Free sewerage services
5. No charges for property rates

The indigents support is only applicable for one year, and the applicants are encourage to apply on the annual basis in order for them to qualify for that specific year.

Free Basic Services To Low Income Households										
	Total	Number of households								
		Households earning less than R1,100 per month								
			Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
		Total	Access	%	Access	%	Access	%	Access	%
Year -2	977	977	977	100%	977	100%	977	100%	977	100%
Year -1	1064	1064	1064	100%	1064	100%	1064	100%	1064	100%
Total	2041	2041	2041		2041		2041		2041	

Financial Performance Year 0: Cost to Municipality of Free Basic Services Delivered					
Services Delivered	Year 2013/2014	2014/2015			
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
Water		467000.00	467000.00	463796.05	3203.95
Waste Water (Sanitation)		257000.00	257000.00	162444.67	94555.33
Electricity		539600.00	539600.00	535570.10	4029.90
Waste Management (Solid Waste)		370200.00	370200.00	315512.04	54687.96
Total		1633800.00	1633800.00	15325010.82	156477.14

COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:

The municipality have an indigent policy which guides how to provide for free basis services to those who are unemployed and to those who only receive social grants,. For the 2014/15 financial year the municipality had **1064** indigents who benefited on this indigent support.

COMPONENT B: ROAD TRANSPORT

3.7 ROADS

INTRODUCTION TO ROADS

Given the challenges of the roads network that has exceeded its life span and the backlogs, the municipality has a road and storm water maintenance team headed by the deputy manager service delivery. The team is operating on a lean operational and maintenance budget. The municipality is thus experiencing material resource challenges. Service delivery meeting are held weekly with stakeholders, challenges identified and mitigated. The municipality through the assistance of Nkangala District Municipality has sourced a new grader hence the municipality is having three graders with two grader operator. During the financial year the following was achieved with the limited resources:

Rehabilitation of Bhekumuzi Masango Drive Phase 4 funded by Nkangala District.

Paving of Extension 2 road in Sakhelwe funded through MIG for an amount of R 2 000 000

Paving of Emgwenya road funded through MIG for an amount of R 2 000 000

Paving of a road in Elkie street in Siyathuthuka funded through MIG for an amount of R 1 000 000

The municipality further managed to patch 8 473m² of our road network, gravelled and graded 3,425 Km of road, erect 06 speed humps, 151 storm water drainages cleaned 64 catchpits and trenches were cleaned.

Roads Policy Taken from IDP						
Service Objectives	Service Indicator	Outline service targets	2013/2014		2014/2015	
			Target	Actual	Target	Actual
To improve the condition of the existing roads storm water for users in all the towns , townships and rural areas	Improved road safety and access to all residents	Length of meters of the road paved	To upgrade 1km 800meters of road	1km 722 meters of roads paved this financial year.	To upgrade 2.1km 800meters of road	1km 90 meters of roads paved this financial year.
	Improved road safety and access to all residents	Square meters patched	10 000 m2	Only 10 712m ² of potholes patched during the financial year	10 000m ² of potholes repaired	8 473 M ² potholes patched
	Improved road safety and access to all residents	meters roads gravelled	18 000 meters roads gravelled	22 330 meters of roads gravelled and graded	32 km of roads gravelled	3,425km of road gravelled and regravelled
	Number of speed humps constructed	24 speed humps to be constructed	24 speed humps to be constructed	15 speedhumps constructed	13 speedhumps erected	06 speedhumps erected

Capital Projects : Roads Services					
Capital Projects	2013/2014				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Rehabilitation of Bhekumuzi Masango Drive: Phase 4					
Paving of roads in Dullstroom and Sakhelwe phase 5 (Paving of Siyifunile Extension 02 road)	R 2 000 000	-	R 1 990 764.58	0.46%	R 2 000 000
Paving or roads around Emakhazeni Local Municipality Townships phase 2: (Road 1 Emgwenya)	R 2 616 023.80	-	R 2 616 023.80	0%	R 2 616 023.80
Paving of roads around Emakhazeni Local Municipality Townships phase 2: (Mandela Elkie street in Siyathuthuka)	R 1 000 000.00	-	R 998 957.84	0.1%	R 1 000 000.00

Gravel Road Infrastructure				Kilometers
	Total gravel roads	New gravel roads constructed/paved	Gravel roads upgraded to paving/tar	Gravel roads graded/maintained
Year 2012/13	-	-	1824km	-
Year 2013/14		5727M	-	-
Year 2014/15	2592.76KM	0M	1.09 KM	2591.7KM

Tarred Road Infrastructure					Kilometers
	Total tarred roads	New tar roads	Existing tar roads re-tarred/upgraded	Existing tar roads re-sheeted	Tar roads maintained
Year 2013/14	-	-	1400m	-	
Year 2014/15	24.6KM	1.09 KM	0	170M	24.6KM

Financial Performance: Road,Traffic and Licensing Services					
Details	2013/2014	2014/2015			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	12,002,355	7,817,701	7,262,884	12,056,596	-66%
Expenditure:					
Employees	7,384,887	8,833,369	8,833,369	8,049,385	9%
Repairs and Maintenance	10,544	167,500	112,500	85,238	24%
Other	8,412,246	6,558,019	7,191,019	7,473,647	-4%
Total Operational Expenditure	15,807,677	15,558,888	16,136,888	15,608,270	3%
Net Operational Expenditure	-3,805,322	-7,741,187	-8,874,004	-3,551,674	60%

Employees: Roads Services					
Job Level	2013/2014		2014/2015		
	Employees No	Post No	Employees No	Vacancies(fulltime equivalent No	Vacancies (as a % of total posts)%
0-3	4	4	4	0	0%
4-6					
7-9					
10-12					
13-15					
16-18					
19-20					
Total	4	4	4	0	0%

COMMENT ON THE PERFORMANCE OF ROADS OVERALL:

Despite some challenges, roads are still in a drivable condition. The municipality needs sufficient funding to address the backlogs and challenges. Operations and maintenance is done continually. All the major funded projects were carefully monitored and managed to be concluded effectively. The integrated transport plan has been drafted and was adopted by council as the final document

3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

INTRODUCTION TO LICENSING

Emakhazeni local municipality is an agent of the province in the administration of drivers and motor vehicle licenses.

Traffic Officer Grade 1 is qualified as examiners to test on learner's license and driver's license tests. One fulltime examiner was appointed in 2012 but the examiner cannot cope with the demand and as such many applicants end up going to other areas to obtain their licenses. The municipality is thereby losing income and this also results in poor service delivery to the community. The appointment of more permanent examiners can reduce this backlog.

The Provincial Department of Roads and Transport has proposed the implementation of the Best Practice Model. Although the municipality is currently in the process of implementing this approach, the licensing section would need to be staffed with an additional cashier. The Chief License Officer is overloaded with work and cannot manage the License Department properly. A supervisor needs to be appointed to assist in this department.

There is also a need for a license office in Emgwenya. ELM's vehicle testing grounds, especially in Emakhazeni has proven not to be complying with the Provincial requirements, in that it needs to be upgraded. The space allocated for inspections is far less than the prescribed standards. The roadworthy test station is not functioning due to old equipment and the manufacturer cannot render proper maintenance to keep the station operational.

LICENSING SERVICES POLICY OBJECTIVES							
Service objectives	Outline Service Targets	2012-2013		2013-2014		2014-2015	
		Target	Target	Target	Actual	Target	Actual
To ensure efficient licensing service delivery to the community by Conduct learners and drivers licenses tests, card renewals, PrPDs and road-worthy certificates	Learner license applications	3570	3570	2900	2543	-	2712
	Driver license applications	3700	3240	2936	3654	-	3326
	Card license renewals (drivers)	2890	4380	3500	3945	-	3877
	Professional driving permit applications	564	693	600	659	-	679

Employees: Licensing Services					
Job Level	2013/2014		2014/2015		
	Employees No	Post No	Employees No	Vacancies(fulltime equivalent	Vacancies (as a % of total posts)%
			No	No	
0-3					
4-6	4	4	4	1	25
7-9	1	4	3	0	0
10-12	1	1	1	0	0
13-15	1	1	1	0	0
16-18					
19-20					
Total	7	10	10	1	10

COMMENT ON THE T PERFORMANCE OF LICENSING OVERALL:

The licensing function has been performing fairly consistently. This is a service purely dependant on the applications being received. Supervision is a constant challenge due to shortage of personnel. Traffic Officers grade 1 perform both law enforcement and licensing duties. The status of the testing facilities is in a deteriorating state and requires funds for

renovations and maintenance. There is a need to appoint management representatives that are accountable for the testing facilities. The municipality does with the minimal funds available try to maintain the facilities but it is never enough to get the facilities to the appropriate standards that we would like them to be in. For financial performance refer to roads table above.

3.9 WASTE WATER (STORMWATER DRAINAGE)

INTRODUCTION TO STORMWATER DRAINAGE

The stormwater is a seasonal challenge which puts a tremendous stress on our systems. The municipality is responsible for maintaining stormwater drainage in all of its units.. Given the fact that the municipality has backlogs including gravel roads, storm water places some challenge on these roads and our sewer system, given that some of the storm water from households ingresses into the sewer systems.

Stormwater Infrastructure				
	Total Stormwater measures	New stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
2014/15	620	2	3	420
Cost of Construction/Maintenance				
	Stormwater Measures			R' 000
	New	Upgraded	Maintained	
2014/15	R 61 560 .00	R 5 814.00		R

Stormwater Services Policy Taken from IDP						
Service Objectives	Service Indicator	Outline service targets	2013/2014		2014/2015	
			Target	Actual	Target	Actual
To provide new roads and improve the condition of the existing roads for users in all the towns, townships and farms areas	Number of storm water drainages cleaned		80 storm water systems to be cleaned	189 storm water drainages cleaned	80 storm water system cleaned	151 storm water drainages cleaned

Financial Performance: Public Works and Stormwater Services					
Details	2013/2014	2014/2015			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	25,594	34,980	34,980	120,014	-243%
Expenditure:					
Employees	7,477,902	10,032,774	10,032,774	6,944,827	31%
Repairs and Maintenance	717,265	1,148,902	648,902	389,087	40%
Other	116,780	69,085	59,085	33,772	43%
Total Operational Expenditure	8,311,947	11,250,761	10,740,761	7,367,686	31%
Net Operational Expenditure	-8,286,353	-11,215,781	-10,705,781	-7,247,672	32%

COMMENT ON THE PERFORMANCE OF STORMWATER DRAINAGE OVERALL:

The municipality has a properly established stormwater drainage system. Stormwater is a seasonal challenge which puts some stress on our road network and systems, the municipality is ensuring that stormwater is channelled to the streams to lessen the associated damage. The municipality continues to engage stakeholders on new innovations and strategies to ensure effective management of stormwater.

COMPONENT C: PLANNING AND DEVELOPMENT

3.10 PLANNING

INTRODUCTION TO PLANNING

Apartheid planning and development was synonymous with segregation, seclusion and isolation. Since the first democratic elections in South Africa in 1994, the country has been grappling at various levels from rhetoric to practice, through legislation, policies, programmes and projects with the urban form created by apartheid.

It has been widely acknowledged that the apartheid spatial form of the country was not desired and that major redress was needed to make the country more inclusive, connected and efficient. Spatial transformation is seen as prerequisite for addressing the physical manifestations of the past administration. Emakhazeni Local Municipality also embarked on a process to transform its spatial landscape as influenced by the winds of change sweeping through the country.

LEGAL BASIS

In terms of the Municipal Systems Act (Act No. 32 of 2000) Section 26(e), all municipalities are required to prepare an Integrated Development Plan (IDP) for their area of jurisdiction, which must include a Spatial Development Framework (SDF). Section 34 of the Municipal Systems Act determines that the Integrated Development Plan (IDP) must be reviewed and amended annually in accordance with an assessment of its performance measurements (in terms of section 41 of the

Municipal Systems Act) and to the extent that changing circumstances demand. The SDF should therefore also be reviewed in accordance with the annual review of the IDP.

Above all, the review of the SDF will facilitate the implementation of the IDP spatially in terms of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000). The old Emakhazeni SDF (2010) was compiled in terms of the guidelines contained in Government Gazette No. 22605 dated 24 August 2001, which stipulated that a Spatial Development Framework of a municipality should at least achieve the following objectives:

- Give effect to the principles of the Development Facilitation Act
- Set out objectives that reflect the desired spatial form
- Contain strategies and policies to achieve the above
- Set out guidelines for land use management
- Set out a capital investment framework
- Contain a strategic environmental assessment
- Identify programmes and projects for the development of land
- Provide a visual representation of the desired spatial form of the municipality which representation include:
 - i. Where public and private land development and infrastructure should take place.
 - ii. Indication where desired and undesired utilization of space in a particular area.
 - iii. Delineation of the urban edge.
 - iv. Identification of areas where strategic intervention is required.
 - v. Indication of areas where priority spending is required.

However, during 2013 the new Spatial Planning and Land Use Management Act (SPLUMA) was promulgated under the jurisdiction of the Department of Rural Development and Land Reform. This legislation puts forward a set of principles to influence spatial planning, land use management and land development. It also provides for national and regional spatial development frameworks as well as provincial and municipal spatial development frameworks, implying that a package of plans will be undertaken from national to municipal level to direct land use management, while providing for uniform regulation of land use management throughout South Africa.

The general principles endorsed by this Act is that spatial planning, land use management and land development must promote and enhance Spatial Justice, Spatial Sustainability; Efficiency; Spatial Resilience, and Good Administration . The short term spatial vision for the Emakhazeni Municipality which informed the ELM Development Framework evolves around the following key elements:

- a) the strengthening and enhanced branding of the area as a tourism destination;
- b) consolidation of the spatial structure of existing towns and settlements and the establishment of a nodal hierarchy in order to achieve physical, social and economic integration of communities and to enhance cost-efficient and sustainable service delivery;
- c) promoting agro-industry development along the N4 development corridor;
- d) making sufficient provision for upgrading of informal settlements and development of sustainable human settlements in general.

The major impetus (apart from addressing the distortions created by apartheid) for the SDF's completed up to 2012, was to comply with the legislative requirements presented by the Municipal Systems Act. Yet, to ensure that development does in

actual fact take place in an integrated and sustainable manner, the Integrated Development Plans (IDP's) and Spatial Development Frameworks (SDF's) of local and district authorities now also have to be aligned with the goals and directives provided by the Spatial Planning and Land Use Management Act and new national and provincial policy documents. This implies that IDP's and SDF's need to be reviewed on a continual basis to ensure synergy between the three spheres of government – i.e. what happens on local level needs to “fit-in” and “contribute” to both provincial and national development goals and priorities.

In view of the above, the Emakhazeni Municipality in conjunction with the Nkangala District Municipality, commissioned the review of the Emakhazeni SDF to bring it in line with the SPLUMA requirements. Furthermore, the timing for an update of the SDF is appropriate for the following reasons: Census 2011 information is now available for the area while the previous SDF used 2001/ 2007 information; National government have since published the National Development Plan; The National Outcomes Approach and Comprehensive Rural Development Programme have been initiated; and Mpumalanga Province formulated a new provincial Vision 2030, Infrastructure Master Plan, Human Settlement Master Plan, Industrial Development Strategy and a new Mpumalanga Spatial Development Framework.

The objectives of the SDF review can be summarized as follows:

- To review and update the 2010 Spatial Development Framework for the area of jurisdiction of Emakhazeni Local Municipality
- To align the SDF with the SPLUMA Development Principles and to ensure that it comprises all the content as required in the Act;
- To align the Emakhazeni SDF with the Provincial Vision 2030, Provincial Spatial Development Framework and other provincial sectoral plans, and with national policy guidelines like the National Development Plan;
- To align the SDF with the Land Use Management System of the municipality;
- To include a Rural Development Strategy for the local municipality in line with the guidelines following from the CRDP currently implemented by the Department of Rural Development and Land Reform;
- To align the Emakhazeni Municipality SDF with that of the surrounding local municipalities and the Nkangala District.

According to the Spatial Development Framework of the municipality, the following areas were identified for human settlement in terms of the principle of integration, Madala in Emakhazeni, Wonderfontein, Siyathuthuka Ext. 6, 7, 8, 9, 10, and Emakhazeni, Enkanini in Emthonjeni, Sakhelwe Ext. 2i and Gugulethu in Emgwenya. Emakhazeni Local Municipality has embarked on a process to lure sector departments and private businesses to partner in bringing Infrastructure Projects that will assist or unlock economic growth within the Emakhazeni Local Municipality's area of jurisdiction.

Applications for Land Use Development						
Detail	Formalisation of Townships		Rezoning		Built Environment	
	Year -1	Year 0	Year -1	Year 0	Year -1	Year 0
Planning application received	4		12			
Determination made in year of receipt	2		7			
Determination made in following year	1		2			
Applications withdrawn	0		1			
Applications outstanding at year end	1		2			

Financial Performance: Planning and Development Services					
Details	2013/2014	2014/2015			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	1,141,523	1,566,392	1,566,392	1,222,892	-22%
Expenditure:					
Employees	1,288,159	2,889,275	2,889,275	3,529,021	22%
Repairs and Maintenance	-	-	-	-	-
Other	-	1,625,150	1,625,150	424,803	-74%
Total Operational Expenditure	1,288,159	4,514,425	4,514,425	3,953,825	-12%
Net Operational Expenditure	-146,636	-2,948,033	-2,948,033	-2,730,933	-7%

COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL:

The Constitution of the Republic of South Africa Act, Act 108 of 1996, states in Chapter 2 section 26(1) that "Everyone has the right to have access to adequate housing" and further in 26(2) that "The state must take reasonable legislative and other measures, within its available resources to achieve the progressive realisation of this right."

To ensure the realization of the constitutional obligation the municipality, Department of Human Settlements and Social Partners collaborated to ensure delivery of housing units within the area of jurisdiction of the municipality. In Total 1168 units have been delivered since 2011. Our town and townships are still not integrated.

To meet the quality housing needs of residents in the municipal area of jurisdiction and minimize the spread of informal settlements the municipality also embarked on Township establishment processes. The following new townships were established or formalized within the municipality's area of jurisdiction: Wonderfontein Agri-Village, Enkanini and Emthonjeni Extension 4 and 5, Madala (Belfast) Sakhelwe Ext 2, Gugulethu and Siyathuthuka Extension. These new townships are aimed at making more land available for human settlement purposes. The municipality is busy identifying other parcels of land for other community needs like cemeteries which are fast approaching their capacity.

3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

INTRODUCTION TO ECONOMIC DEVELOPMENT

Local Economic Development (LED) offers local government, the private and not-for-profit sectors, and local communities the opportunity to work together to improve the local economy. It focuses on enhancing competitiveness, increasing sustainable growth and ensuring inclusive growth.

According to the statistics SA done in 2011 the unemployment rate of the municipality in general is at 25.92% as compared to 2001 when it was at 25.12%. This indicates that the Municipality should strive to create an enabling environment for employment in the economic sectors. It must be noted though, that the municipality has the second highest employment rate after Steve Tshwete municipality. However, this unemployment figure is mainly caused by lack of skills and education. In order to mitigate the skills challenge, the municipality has partnered with Nkangala FET College, Waterval Boven campus in skilling the local people. Mayoral outreach programmes have been concluded in all units to ensure that our youth access education. The municipality is also currently establishing relationships with Mining Qualification Authority with an aim of introducing skills courses addressing the main economic activity which is mining. These programmes will be in the form of learnerships and skills courses.

The review of the LED strategy will also mean that the Municipality seeks to integrate the priorities of the New Growth Path, National Development Plan and the Mpumalanga Economic Growth Path. The update of the LED strategy will also assist to address economic issues raised in the 2007 strategy, the current situation and beyond. Expanded Public Works Programme

is also one of the programmes pursued by the municipality to address unemployment. EPWP is implementation in all units of the municipality.

The municipality has also introduced Contractor Development Programme which is aimed at empowering the local contractors through subcontracting. The main aim of the programme is to ensure that these SMME's are developed, they assist in creating employment and also to ensure that they will be able to take advantage of future developments through higher grading. The programme is implemented through all MIG and social partners' projects. NDM is also going to contribute to contractor development by ensuring that all projects below the threshold of R1 000 000 are ring-fenced for local cooperatives. To ensure a coordinated approach to SMME and Cooperatives, the municipality played a role in the development of the draft district-wide NDM cooperatives policy. The policy will assist to stimulate Public and Private Procurement, simplified regulatory environment and support services.

POVERTY ALLEVIATION AND JOB CREATION

The economy has not created sufficient employment opportunities for many of our people over the past three decades. Creating more and better jobs must lie at the heart of any strategy to fight poverty, reduce inequalities and address rural underdevelopment.

The new growth path starts by identifying where employment creation is possible, both within economic sectors as conventionally defined and in cross cutting activities. It then analysis the policies and institutional developments required to take advantage these opportunities. Emakhazeni Local Municipality has established stake holder engagement forums which aim at promoting job creation opportunities in our area. The Municipality in partnership with its social partners meets at list once a month to discuss, share information about matters affecting community development and job creation.

In line with the LED strategy of the municipality the National Growth Path indicates that National government will prioritize efforts to support employment creation in the following key sectors:

- Infrastructure
- The agriculture value chain
- The mining value chain
- The green economy
- Manufacturing sectors
- Tourism

TOURISM AND INVESTMENT

Tourism has been identified as a key local economic developing strategy, especially for smaller urban centers on the periphery of large urban areas. It is perceived by many that tourism has potential as a pro-poor strategy, thus promoting community development and sustainability in a manner that is not harmful to communities involved.

Destination with special resources of natural, cultural or historical significance has the potential to adopt tourism as a development strategy. According to the Local Economic Development (LED) strategy of the Municipality (Urban –Econ, 2007), the largest sector in terms of GDP output within ELM is the transport and communication sector followed by the trade mining sector. Formal employment in the Municipality is located in the agricultural, trade and government service sectors.

According to the Emakhazeni LED strategy, significant development potential exists with regard to development of tourism in the area, however there are constraints that need to be addressed in order to ensure that an enabling environment created to foster tourism development in the area. These constraints, as identified in the LED Strategy (2007) include:

- A lack of high standard tourism product and services
- A lack of tourism identity for the whole area
- A lack of adequate signage
- Lack of proper tourism routes in Emakhazeni
- Upgrading of infrastructure for nature based tourism, adventure tourism, agri- tourism information sharing, and tourism development potential and alternative tourism.

Economic Activity by Sector			
			R '000
Sector	2012/13	2013/14	2014/15
Agric, forestry and fishing	2	1.5	1.5
Mining and quarrying	6	5	2
Manufacturing	56	58	63
Wholesale and retail trade	45	51	52
Finance, property, etc.	51	48	52
Govt, community and social services	23	25	25
Infrastructure services	34	38	41
Total	217	226.5	236.5

COMMENT ON LOCAL JOB OPPORTUNITIES:

In the fight against poverty and unemployment the municipality had planned to use infrastructure development to create job opportunities, build local economies, to create decent work and sustainable livelihoods. The below listed infrastructure projects were implemented as planned and yielded not less than 639 job opportunities for locals. The implementation of these projects also exposed local SMME's to subcontracting opportunities that was aimed at developing them. It must however be indicated it proves difficult to attract people with disabilities to also benefit from the interventions aimed at changing the lives of our people to the better.

PROJECT	SOURCE OF FUNDING	AREA	FEMAL ES	MALES	DISABLED	JOBS CREATED
Boarding school	Education	Ward 6	89	93	None	182
Construction of RDP houses	Human Settlement	Ward 1	24	14	None	38
Family units	Dept of Human Settlement	Ward 6	0	70	None	70
Paving of roads in Sakhelwe (Siyifunile road)	MIG	Ward 4	14	13	None	27
Electrification of Nkanini	NDM	Ward 6	5	0	None	5
Replacement of water meters in Business & Government buildings	NDM	All wards	0	4	None	4
Provision of water borne toilets Emakhazeni	NDM	Rural areas	4	1	None	5
Upgrading of Dullstroom water treatment plant and licence	NDM	Ward 4	9	2	None	11

	Paving of roads in Siyathuthuka (Nazarene and Osizweni)	MIG	Ward 3	23	29	None	52
	Community Hall	Dept of Human Settlement	Ward 1	4	8	None	12
	Crèche	Dept of Human Settlement	Ward 1	4	8	None	12
	Construction of houses by Exxaro	Exxaro	Ward 8	10	39	None	49
	Construction of roads into block paving in Emgwenya	Nkomati Mine	Ward 7	6	14	None	20
	Refurbishment of corroded elevated water tank in Belfast	MIG	Ward	0	4	None	4
	Upgrading of electrical medium voltage in Belfast Phase 3	NDM	Ward 8	0	5	None	5
	Rehabilitation of Bhekunuzi Masango road	NDM	Ward 8	4	3	None	7
	Construction of roads and stormwater in Siyathuthuka Ext 6 & 8	Human Settlement	Ward 1	8	17	None	25
	Installation of water and sewer reticulation in Siyathuthuka Ext 6 & 8	Human Settlement	Ward 1	5	9	None	14
	Installation of electrical infrastructure in Siyathuthuka Ext 6 & 8	Human Settlement	Ward 1	6	13	None	19
	Upgrading of waste water treatment plant	NDM	ward 4	4	10	None	14
	Raising of Dullstroom dam wall phase 1	NDM	Ward 4	0	1	None	1
	Upgrading of rural access road D545 (Greysfontein road, between Dullstroom & Greysfontein)	Department of PWR&T	Ward 4	17	46	None	9
TOTAL NUMBER OF JOB OPPORTUNITIES				236	403	0	639

Job creation through EPWP* projects		
	EPWP Projects	Jobs created through EPWP projects
Details	No.	No.
2012/2013	Youth on waste	69
2013/2014	Youth on waste	52
2014/2015	Youth on waste	80

Local Economic Development Policy Objectives Taken From IDP									
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	Year -1		Year 0			Year 1	Year 3	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
To implement contractor Development Programme	45 subcontractors benefitted	27 subcontractors benefitted through the project	45 subcontractors benefitted	20 subcontractors to be benefitted	27 subcontractors benefitted through the project	27 subcontractors benefitted through the project	20 subcontractors to be benefitted	20 subcontractors to be benefitted	20 subcontractors to be benefitted
To develop the LED strategy	Development of the LED strategy	Development of the LED strategy	Situational analysis developed and economic intervention report developed	Development of the LED strategy	Development of the LED strategy	Situational analysis developed and economic intervention report developed	Development of the LED strategy	Development of the LED strategy	Implementation strategy
Creation of jobs through infrastructure development	600 jobs to be created	551 jobs to be created	631 jobs created	408 jobs	600 jobs to be created	424 jobs created	600 jobs to be created	600 jobs to be created	600 jobs to be created

Employees: LED Services					
Job Level	2013/2014		2014/2015		
	Employees No	Post No	Employees No	Vacancies(fulltime equivalent	Vacancies (as a % of total posts)%
			No	No	
0-3					
4-6					
7-9					
10-12	1	1	1	0	0
13-15	1	1	1	0	0
16-18					
19-20					
Total	2		2	0	0

Financial Performance: The Executive and Council & LED					
Details	2013/2014	2014/2015			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	106,068,388	107,255,979	107,255,979	86,565,826	19%
Expenditure:					
Employees	8,337,522	10,449,321	10,449,321	8,839,306	15%
Repairs and Maintenance	44,456	66,908	66,908	22,014	67%
Other	92,358,352	23,685,591	23,979,591	19,715,092	18%
Total Operational Expenditure	100,740,330	34,201,820	34,495,820	-10,853,772	131%
Net Operational Expenditure	5,328,058	73,054,159	72,760,159	97,419,598	-34%

COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

The local economic development continues to have investment-friendly environment and the trust between business and municipality continues to be strong. The municipality also engages big business one on one where the Executive Mayor is also participates in those meetings. However, the municipality is not doing well in ensuring a proper coordinated approach to LED due to power contestations with local structures. This matter is currently being attended to. The municipality held a successful LED summit. The establishment of the LED forum was postponed due to disagreements on the chairpersonship of the forum. The forum will be an inclusive forum providing an opportunity to all stakeholders to discuss developmental issues within the municipality's area of jurisdiction.

The introduction of contractor development is another strategy adopted by the municipality to ensure the growth and development of the SMME. The strategy is implemented on all MIG, Nkangala District Municipality, Sector departments and social partners' projects.

COMPONENT D: COMMUNITY & SOCIAL SERVICES

3.12 LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

INTRODUCTION TO LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES

Municipal Libraries

Municipal libraries contribute to the promotion of the culture of learning amongst our community members. They however, are enriched with the reading materials that are relevant for adults, since they are public libraries and not necessarily, school libraries.

Again, the majority of the library books are in Afrikaans and English. The elevation of marginalized African languages is comprised by the less number of books in African languages in our libraries.

The advancement in technology has prompted DCSR to install internet services in all libraries. Increase library users through marketing library facilities and provision of internet services. During the 2014/15 financial year construction of the new library in Emthonjeni is currently under-way funded by the Department of Culture, Sports and recreation.

Community Halls

All units have community halls with the exception of the Dullstroom/Sakhelwe area. The community also raised the need for a hall in Siyathuthuka of which was funded through the Nkangala District municipality and has been completed during the 2012/13 financial year and through the Department of Human settlement a community hall was built in Entokozweni section in Siyathuthuka during the 2014/15 financial year. The community in the Wonderfontein area has also raised a need for recreational facilities through the intervention of social partner's plans are underway towards the achievement of a community hall in the Wonderfontein area.

Service objectives /service indicators	Outline Service Targets	2012/13		2013/14		2014/2015	
		Target	Actual	Target	Actual	Target	Actual
To ensure that library information services contribute to social and economic wellbeing of our community	Number of library users utilising the facilities	1764	3046 library users (internet facilities)	3052 internet library users by 30 June 2014.	4799 internet library users as at 30 June 2014	-	1977 internet library users at 30 June 2015

Employees: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
Job Level	Year 2013/2014	2014/2015			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	6	9	5	4	80
4 - 6	4	4	3	1	33
7 - 9	1	1	1	0	0
10 - 12					
13 - 15					
16 - 18					
19 - 20					
Total	5	5	4	1	25

Financial Performance: Libraries and Community Services					
Details	2013/2014	2014/2015			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	28,548	27,433	26,688	25,362	5%
Expenditure:					
Employees	1,142,021	1,442,445	1,442,445	1,171,877	19%
Repairs and Maintenance	5,717	-	-	-	-
Other	1,001,984	88,243	68,243	32,238	53%
Total Operational Expenditure	2,149,721	1,530,688	1,510,688	1,204,115	20%
Net Operational Expenditure	-2,121,173	-1,503,255	-1,484,000	-1,178,753	21%

COMMENT ON THE PERFORMANCE OF LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC) OVERALL:

Due to limited funding resources available to the municipality, the recreational facilities are in dire need for maintenance and renovations. A new community hall was built in Siyathuthuka extension 3 during the 2013/2014 and finalized in the 2014/15 financial year through the Department of Human settlement.

A new library facility is also in the process of being built in Emthonjeni through the Department of Sports, Arts and Culture and Public works. There has been a decline in the internet usage in libraries during the 2014/15 financial year.

3.13 CEMETORIES AND CREMATORIALS

INTRODUCTION TO CEMETORIES & CREMATORIALS

Emakhazeni LM is not doing crematoriums at this moment but currently performs the following cemetery related services to all the four towns Emakhazeni, Entokozweni, Emgwenya and Sakhelwe, digging of graves, reservations and maintenance of graveyards and further more to protect memorial stones and give burial space for communities.

The non availability of an alternative burial site in some towns continue to be a challenge and the lack of security fences to the old cemeteries which expose them to vandalism and have become grazing land for livestock. Shortage of employees also adds to the challenge of maintaining the sites to acceptable standards even though the municipality tries within its means to render an effective service in that attempts are made to use temporary wires to close opened gaps in the some of the graveyards.

SERVICE STATISTICS FOR CEMETORIES & CREMATORIALS

There are 11 cemeteries throughout the municipality and six sites are full, no more in use but are maintained in different towns which are separated about 25 to 33 km each. Graves are dug according to the booking at each service point in all the four towns. A burial policy is used for tariff to residents and non residents. Planning and development is the department dealing with the planning of new grave sites. Digging of graves is performed by the Technical Services Department,

payments are made at the cashiers at the Finance department and Community Services is responsible for the grass cutting and maintenance of the grounds thereafter.

Employees: Cemeteries and Crematories					
Job Level	2013/2014		2014/2015		
	Employees No	Post No	Employees No	Vacancies(fulltime equivalent No	Vacancies (as a % of total posts)%
0-3	6	6	5	1	20
4-6					
7-9					
10-12					
13-15					
16-18					
19-20					
Total	6	6	5	1	20

Financial Performance: Cemeteries					
Details	2013/2014	2014/2015			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	61,000	40,301	60,301	50,135	17%
Expenditure:					
Employees	439,385	586,711	586,711	355,907	39%
Repairs and Maintenance	16,158	64,608	44,608	33,596	25%
Other	-	-	-	-	-
Total Operational Expenditure	455,543	651,319	631,319	389,503	38%
Net Operational Expenditure	-394,543	-611,018	-571,018	-339,368	41%

COMMENT ON THE PERFORMANCE OF CEMETORIES & CREMATORIALS OF OVERALL:

Provision of bi-weekly cleaning sessions at cemeteries has not been met due to the strike that the municipality experienced during the second quarter of the year. Lack of proper fencing also impacts on the easy access by vandals and animals that mess up the sites. Some tombstones are neglected and families of these deceased should also avail themselves to visit the sites and maintain these graves as well.

3.14 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

INTRODUCTION TO CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

Emakhazeni local municipality's administration gives priority to the needs of the Youth, Women, Disables and People living with HIV/AIDS. To that end, the municipality has established a Transversal position that deals on a daily basis to all these issues.

The municipality in partnership with NYDA conducted entrepreneurship training at Emgwenya, Emthonjeni, Siyathuthuka and Wonderfontein for the period of 05 days. Those who attended the training got certificates of attendance and with the support we got from the different local youth centers we managed to recruit 120 youth from different units in Emakhazeni to partake in this programme. The Entrepreneurship Development programme was aimed at creating a conducive environment for young entrepreneurs to access relevant entrepreneurship skills, knowledge, values and attitudes for their businesses, to introduce opportunities the youth can access to start up their small project that will assist in halving poverty and to address the unemployment challenge within the municipality. In its quest, NYDA made a financial injection to the following projects:

- (a) Siphonkosi Printing Services = R6719.00
- (b) Bongani Madonsela Internet Services = R23,584.00
- (c) Robert Mahlangu Car Wash = R9749.35
- (d) Amasheleni (PTY) LTD = R22,000.00
- (e) Green Globe Solutions Co-operations (Recycling Project) = R49,800.00

Emakhazeni Career Expo

Emakhazeni Local Municipality in partnership with EXXARO NBC and Emakhazeni Department of Education annually coordinate a Career Expo targeting all grades 10, 11 and 12 who are doing mathematics, Physical Science and Accounting. The objectives of the career expo are as follows;

- ☐ To increase the awareness of existing careers.
- ☐ To bring to the learners a new vision on how to determine the direction most suited to their talents, qualifications and the needs of today's job market.
- ☐ To assist the learners in understanding of today's job market and how to acquire the skills and qualifications required to enter, progress and succeed in the marketplace.

The event was held on the 15th of May 2015 at Belfast Academy School, all the grade 12 learners from Imemeza, Sikhulile, Belfast Academy, Morelig Combined, Khayalami, Klipspruit, Tonteldoos and Siyifunile Secondary School attended.



Mayoral Breakfast Motivational Session

The Honorable Executive Mayor holds motivational breakfast sessions with all the grade twelve learners of Emakhazeni Local Municipality area of jurisdiction. The motivational sessions annually held before the start of the final exams in all the eight high schools in Emakhazeni. The purpose of the sessions is precisely because the municipality fully believes that education is the central pillar of economic growth and the fight against poverty and this noble endeavor is also aimed at motivating the grade twelve learners prior to the final examination. The event will be held annually.



The municipality had several programmes planned for the month of June that will be in commemoration of youth months as well as ensuring that not only is the message about the history of youth day kept alive but also relevant to today's youth and South African citizen's.

Emakhazeni youth celebrated their youth day at Siyathuthuka Entokozweni Hall under the theme "Emakhazeni Youth Artist in Action against Substance and Drug Abuse"



Mandela month

Emakhazeni Local Municipality in partnership with Umsimbithi Mine and Nkomati mine implements a distribution of blankets project for elderly people and in partnership whilst distributing school shoes to learners is implemented with Komati Land Forest.

Ventures of this nature will be strengthened and sustained for the social upliftment of the community.

Emakhazeni municipality commemorated Mandela Day of 2014 with the Honourable Premier D.D Mabuza at Belfast Rusoord (Old Age Home).

Teenage pregnancy

The municipality in partnership with Nkangala District Municipality on the 17th of April 2015 embarked on a Teenage Pregnancy Dialogue at Klipspruit Combined School. The school was founded by the Department of Education in the region to be the most affected school in Emakhazeni, therefore the district came on board to assisting the municipality.



Emakhazeni Local Municipality in partnership with Dept of health coordinated STI and condom dialogue at Emgwenya TVET College where learners deliberated on issues that are pushing them to end up being affected.

TB has been identified as one problematic matter in our society, therefore the municipality in collaboration with dept of health and Peer educators conducted a door to door awareness in Emgwenya, Emthonjeni and in Siyathuthuka Location.

With the various formidable social partners that the municipality has established, sustainable implementation of social upliftment programmes are guaranteed success.

Child care, Aged Care, projects taken from IDP					
Project Name	Project objective	2013/2014		2014/2015	
		Target	Actual	Target	Actual
Establishment of Aids Council	Maintaining of good health and wellness of all ELM citizen	All citizen of ELM	LAC established	All Stake-holders for the Local Aids council	The Municipality in partnership with GIZ and NDM had on the 23 rd September 2014 launched the LAC
EPWP /AIDS, Substance and Drug abuse Awareness Campaign	To increase HIV/AIDS awareness throughout all sectors.	All sectors	Awareness campaigns held in collaboration with sector departments	All Stakeholders	Workshop were held on the 23 & 24 February 2015 and the LAC sitting was held on the 17 March 2015
Hosting of the Moral Regeneration event(MRE)	Ensure that MRE plays its vital role in the restoration of moral values	All sectors	MRE was held at Sakhelwe Stadium on the 27 December 2013	All citizens of ELM	The Moral regeneration Event for 2014/2015 was not held due to threats of disturbance by string employees at that time
Convene a women's seminar	By developing a cohesive and effective network of structures, organizations and groups to promote gender equity and empowerment of women	All women of ELM area of jurisdiction	A women seminar was held on the 21 August 2013 at Bellavista Country club	40 women empowered by 30 June 2015	21 women employed thorough EPWP and 222 employed through the CWP programme
Convene a seminar for People Leaving with Disability (PWD)	By conducting community dialogues, training, workshops , awareness campaigns and sport activities	All People Leaving with Disabilities	Awareness campaigns held working in partnership with sector departments in 2014	All People Leaving with disabilities in Emakhazeni	A door to door was held in Siyathuthuka on the 30 March 2015, A forum disability was held on the 24 th June 2015, an awareness campaign on disability was held on the 29 June 2015 in Siyathuthuka
Mandela month celebration,	To ensure that all elderly people , children and PWD lead a healthy lives and their well being is taken care of.	Elderly, Children and PLWD	1000 blankets were donated to elderly in July 2014	Visit to one (1)old age service centre per month .	On the 18 July 2014 working in collaboration with the Office of the Premier and sector departments ,a visit was made to

Children and Early childhood development	To ensure child participation on child related matters	All children in Emakhazeni	The unit has a program of monitoring of all ECD and child centres	To establish a structure responsible for children by June 2015	<p>the Belfast Old age home where by gifts were donated to the home</p> <p>Working in collaboration with the department of Social Development , a Childhooddevelopment forum was established in February 2015</p>
--	--	----------------------------	---	--	---

Employees: Child Care; Aged					
Job Level	2013/2014		2014/2015		
	Employees No	Post No	Employees No	Vacancies(fulltime equivalent No	Vacancies (as a % of total posts)%
0-3					
4-6					
7-9					
10-12	1	1	0	1	0%
13-15	1	1	1	0	0%
16-18					
19-20					
Total					

COMMENT ON THE PERFORMANCE OF CHILD CARE; AGED CARE; SOCIAL PROGRAMMES OVERALL:

Since the vacancy of the Transversal Unit Co-ordinator, both the Youth Development Manager and the Manager in the Office of the Executive Mayor are responsible for the duties of the unit and this tend to compromise some of the main responsibilities. In light of the above, it is imperative that the vacancy of the Transversal Issues Co-ordinator should be filled so that all duties in relation to the transversal office should be carried out without compromise.

COMPONENT E: ENVIRONMENTAL PROTECTION

3.15 POLLUTION CONTROL

INTRODUCTION TO POLLUTION CONTROL

All South Africans have a role to play in the national efforts to achieve a cleaner environment. In the process of transforming South African society, one of the priorities stated is that the government "must ensure that all South African citizens, present and future, have the right to a clean and healthy environment". An important area of concern as regards impact on the biophysical and social environment is pollution and waste. Apart from the Constitution of the country and legislation such as the National Environmental Management Act, South Africa is also party to a number of international treaties and conventions, some of which impact on pollution of the air, land and marine environment.

Emakhazeni Local municipality does not have a dedicated Environmental Management Section within the municipality or any appointed Environmental Management Officers. However, the municipality relies on two Environmental Health Practitioners to provide the service in terms of Environmental protection and pollution control.

Pollution control in terms of drinking water safety: Monthly water samples are taken at the four 4 water purification plant outlets, 7 reservoirs and 24 domestic taps for bacteriological as well as chemical safety. Emergency samples are also taken when complaints are received. Sampling programs are registered in the Blue Drop System and reported on a monthly basis.

Pollution control in terms of sewerage purification plants: Emakhazeni municipality has four (4) sewerage purification plants. The Emthonjeni-, Emgwenya and Emakhazeni (Belfast) sewerage purification plants is licensed and are monitored (sampled) in terms of the license conditions. The Dullstroom sewerage purification plant is monitored (sampled) in terms of the DWA General Conditions. Emgwenya, Emakhazeni and Dullstroom sewerage plants are sampled on a monthly basis and the Emthonjeni sewerage plant is sampled on a weekly basis. Upstream- and downstream samples are also taken at the Emakhazeni, Emthonjeni and Emgwenya sewerage plants. Results are reported on the Green Drop System. All drinking water and sewerage water samples are taken to Regen Waters Laboratory for analysis. Emergency samples are taken from dams or rivers when complaints are received with regards to pollution.

Air pollution control: One EHP was appointed as "Interim Air Quality Officer". The municipality does not have a budget or equipment to conduct Air Quality monitoring. Complaints are investigated by the EHP's together with officials of DEA from Emalahleni.

ENVIRONMENTAL PROTECTION

Department of Environmental Affairs assisted with the development of an Environmental Management Framework for Emakhazeni Municipality which was adopted in 2009. The EMF is used as a tool to ensure that the environment is protected, especially in terms of development and mining applications. There is no Environmental Management Section within the municipality or appointed Environmental Management Officers. Currently, the two Environmental Health Practitioners are

providing the service in terms of Environmental Protection and were transferred to Nkangala District Municipality during the 2014/15 financial year.

The municipality has been unable to attract suitable candidates to occupy the post of the Chief Environmental Management Officer.

Pollution Control Policy Objectives							
Service Objectives	Outline Service Targets	2012-2013		2013-2014		2014-2015	
		Target	Actual	Target	Actual	Target	Actual
To promote public safety and ensure that the general environment is promoted in a sustainable manner	Drinking Water: To conduct water sample testing for compliance monitoring according to Blue Drop Requirements and SANS water quality	692	707 (102 %)	692	707 (102 %)	700	753 (107,6%)
	Waste Water: To conduct sewerage water samples testing for compliance monitoring according to the Licence Conditions and SANS 241 water quality	534	546 (102 %)	534	546 (102 %)	624	594 (95,2%)

COMMENT ON THE PERFORMANCE OF POLLUTION CONTROL OVERALL:

The municipality was also assisted by the Nkangala District municipality towards the funding of the water samples that were taken during the 2014/15 financial year.

Even though there is no Environmental Management Section within the municipality or appointed Environmental Management Officers the service is being rendered by 2 EHPs. The municipality has advertised for the position of the Chief Environmental Officer which will be delegated waste and environmental issues to deal with. The municipality does not have a budget or equipment to conduct Air Quality monitoring which must be considered for years ahead. The municipality is engaged with capital projects such as water treatment facilities upgrading etc. which are reported under "Water provision" section and "Sanitation provision" section

COMPONENT F: HEALTH

This component includes: clinics; ambulance services; and health inspections.

3.16 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC

INTRODUCTION TO HEALTH INSPECTIONS; FOOD AND ABBATOIR LICENSING AND INSPECTIONS, ETC

Emakhazeni Local Municipality was rendering municipal health services which are in terms of the Health Act a district function. The municipality was in a process to have the function transferred to the Nkangala District municipality during the 2013/14 financial year and this transfer was finalised as from the 01 November 2014. The two Environmental Health Practitioners are since then in the employ of the Nkangala District municipality rendering the municipal health services (MHS) functions. These MHS inspections are divided into three categories: Food Premises, Schools and Crèches and Institutional inspections. Food Premises includes all food selling or preparation premises. Institutional inspections include

Old Age Homes, Clinics, Hospitals, Funeral Parlours, Children's Homes, Care Centres, etc. The function being with the District municipality no targets have been set by the local municipality on these services for the 2014/15 financial year.

Health Inspections and Etc Policy Objectives taken from IDP							
Service Objectives	Outline Service Targets	2012-2013		2013-2014		2014-2015	
		Target	Actual	Target	Actual	Target	Actual
To promote public safety and ensure that the general environment is promoted in a sustainable manner To promote the development of a healthy community	Conducting shop inspections	480	481	480	481	None	461
	Conducting school/creshe inspections	72	72	72	72	None	70
	Conducting institutional inspections	72	72	72	72	None	76
	Conducting dairy farm inspections	36	36	36	36	None	29
	Milk sampling and analysis	72	86	72	86	None	71

Financial Performance: Health Services					
Details	2013/2014	2014/2015			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-	-	-	-	-
Expenditure:					-
Employees	718,959	742,132	742,132	266,173	64%
Repairs and Maintenance	-	-	-	-	-
Other	5,965	312,070	109,863	15,288	86%
Total Operational Expenditure	724,924	1,054,202	851,995	281,461	67%
Net Operational Expenditure	-724,924	-1,054,202	-851,995	-281,461	67%

COMMENT ON THE PERFORMANCE OF HEALTH INSPECTIONS, Etc OVERALL:

No Capital projects are registered under this section. As a local municipality due to the devolution of Municipal health function to the district, no service level objectives were set for the 2014/15 financial year.

COMPONENT G: SECURITY AND SAFETY

This component includes: police; fire; disaster management, licensing and control of animals, and control of public nuisances, etc.

INTRODUCTION TO SECURITY & SAFETY

INTRODUCTION TO SAFETY AND SECURITY

The Private Security Industry Regulatory Act, Act of 1996, the Security Officers Act, Act No 10 of 2000 and Emakhazeni Guidelines on the Provision of Security Services of 2010 enable the municipality to give security provision a priority. The traffic safety services are a legislated requirement under The National Road Traffic Act 93 of 1996, National Land Transport Act 5 of 2009, and Criminal Procedures Act 51 of 1977 in the main

INTRODUCTION TO SECURITY

The municipality strives to provide a safe working environment for the municipal staff, clients and safe-guarding of municipal assets and property. A need to create an understanding of the handling of documents and information in general was identified. To deal with these, the municipality had to put effective measures in place. A 24 hour security services has been put in place by appointing a private security company. Entrances to municipal offices are manned on a daily basis by armed security guards. People visiting municipal officials in offices are made to declare their names on a visitors register.

Despite these measures being put in place, some security breaches are still occurring though not at a large scale of which their causes could be attributed to deliberate acts of dishonesty and negligence of municipal employees. But on the positive the provision of a 24 hour security services and the commitment of the providers has minimized loss of municipal assets.

INTRODUCTION TO TRAFFIC SAFETY

The municipality is committed to increase public safety by ensuring that road traffic regulations are adhered to by increasing visibility of Traffic Officers in all areas of Emakhazeni even though this is proving to be a challenge. The municipality currently has 15 qualified traffic officers and of whom, one is a Chief Traffic Officer, three are Grade I and eight are Grade II. There is a lack of supervision of traffic officers, thus resulting in poor performance. Only the Chief Traffic Officer is available to supervise the other traffic officers. Traffic Officers Grade 1 are qualified as examiners to test on learner's license and driver's license tests and have to assist in testing learners and drivers licenses, while on the other hand they are also expected to enforce law on our roads and with this limited capacity, traffic officials are consumed with administrative responsibilities.

Municipal Traffic policy objectives as taken from IDP							
Service Objectives	Outline service objective targets	2012 - 2013		2013 – 2014		2014 - 2015	
		Target	Actual	Target	Actual		
To create a conducive environment for increased public safety	Hours spent by traffic officers on law enforcement per unit	Emakhazeni/Siyathuthuka :11 893 Entokozweni/Emt honjeni: 1 932 Emgwenya: 2 422 Dullstroom/Sakhelwe: 3 752	Emakhazeni/Siyathuthuka = 16167hours. (136%) Entokozweni /Emthonjeni = 3107 hours. (166.86%) Emgwenya =3853 hours. (160%) Dullstroom/Sakhelwe = 4283 hours. (124.86%) Total = 27410 hours Law enforcement (138%)	Emakhazeni/Siyathuthuka :11 893 Entokozweni/Emt honjeni: 1 932 Emgwenya: 2 422 Dullstroom/Sakhelwe: 3 752	Emakhazeni/Siyathuthuka = 16167hours. (136%) Entokozweni/Emt honjeni = 3107 hours. (166.86%) Emgwenya =3853 hours. (160%) Dullstroom/Sakhelwe = 4283 hours. (124.86%) Total = 27410 hours Law enforcement (138%)	-	-
	Number of road blocks and arrive alive campaigns conducted	-	-	-	-	1 arrive alive campaign to be conducted by 30 April 2015. 4 Internal road blocks to be conducted by 30 June 2015	1 arrive alive campaign was conducted by 30 April 2015. 7 Internal road blocks were conducted by 30 June 2015 (160%)

Municipal Security policy objectives as taken from IDP							
Service Objectives	Outline service objective targets	2012 - 2013		2013 - 2014		2014 - 2015	
		Target	Actual	Target	Actual	Target	Actual
To provide a safe working environment for the municipal staff, clients and safeguarding of municipal assets and property.	Accredited Service provider appointed by September 2012.	Appoint a service provider by September 2012	Service provider appointed			-	-
	One security service provider to be appointed by 01 December 2014					One security service provider to be appointed by 01 December 2014	Security service provider was appointed on the 01 December 2015
	Identification of risks by conducting inspections and compiling risk assessment reports and embarking on security awareness campaigns to sensitize the employees and communities. (NEW INDICATOR FOR 2013/2014)	-	-	48 Risk assessments and inspections in all units by 30 June 2014. 4 Security awareness campaigns to be held in all units by 30 June 2014	51 risk assessments conducted 2 security awareness campaigns were conducted	-	-
Monitoring of the service provider through the submissions of Monthly reports and monthly meetings	Number of reports submitted	4 Monthly reports and 4 meetings	4 Monthly meetings and 4 meetings	12 Monthly reports to be submitted.	12 Reports submitted by 30 June 2014.	12 Monthly reports to be submitted by 30 June 2015.	12 Monthly reports were submitted.

COMMENT ON THE PERFORMANCE OF SECURITY AND SAFETY OVERALL:

A new indicator was set during the 2014/15 financial year for the traffic law enforcement unit with regards to improving visibility by conducting internal road blocks conducted and participation on the Arrive Alive campaigns. The unit has performed well with regards to the quarterly targeted internal road blocks by going above the four that was planned for the financial year.

Due to the expiration of the security services provider during the 2014/15 financial year (30 November 2014) the municipality went out on a new tender process for prospective bidders to submit their tenders. A new company was appointed on the 01 December 2014.

3.17 FIRE

INTRODUCTION TO FIRE SERVICES

The municipality through NDM has invested in the construction of two (2) fire houses one in Emgwenya and Dullstroom.

This is in order that the response to emergency services might be speeded up. Subsequently, the municipality has embarked upon establishing voluntary groups so as to assist in dealing with local disasters. There is also a need for a fire house in Entokozweni which has been prioritized for funding by Nkangala District Municipality in the 2014/2015 financial year.

The need to revise the Disaster Management Plan will assist in empowering the municipality in dealing with challenges. The challenges of improving the response time to emergency services is still prevalent, although the 24 hour call centre is operational, the need to conduct training of the personnel had been identified. There is also a need to popularize the 24 hour call centre number.

Municipal Fire Service data				
	Details	2012/2013	2013/2014	2014/2015
		Actual No.	Actual No.	Actual No.
1	Total fires attended in the year	-	93 veld fires 5 structural fires	128 veld fires 4 structural fires
2	Total of other incidents attended in the year	-	73 MVAs 2 Disasters (strong winds and heavy rains in Emthonjeni and Siyathuthuka)	49 MVAs 1 Disaster (strong winds in Dalmanutha)
3	Average turnout time – urban areas	15 min	10 min	10 min
4	Average turnout time – rural areas	20 min	20 - 25 min	20-25 min
5	Fire fighters in post at year end	9	9	11
6	Total fire vehicles at year end	7	8	9
7	Average number of vehicles off the road during the year (not roadworthy)	1	1	2

Municipal Fire policy objectives as taken from IDP							
Service Objectives	Outline service objective targets	2012 - 2013		2013 - 2014		2014 - 2015	
		Target	Actual	Target	Actual	Target	Actual
To create a conducive environment for increased public safety	Fire inspections	240	198	240	194	134	206
	Fire breaks	53.3 km's	53.3 km's	53.3 km's	27.9 km's	- 10 EPWP to be appointed 01 May 2015 to assist with fire breaks	87,96km's EPWP posts were advertised and closing date was the 07 July 2015
	Fire Awareness	4	4	11	8	4	14
	Maintenance of fire extinguishers	90	90	90	90	146	130

Employees: Fire Services					
Job Level	2013/2014		2014/2015		
	Employees No	Post No	Employees No	Vacancies(fulltime equivalent)	Vacancies (as a % of total posts)%
				No	
0-3	2	2	2	0	0
4-6					
7-9	3	5	5	0	0
10-12					
13-15	1	1	1	0	0
16-18					
19-20					
Total	7	8	8	0	0

Financial Performance: Fire Services					
Details	2013/2014	2014/2015			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	2,892,093	5,000	-	-	-
Expenditure:					
Employee cost	1,181,545	1,452,647	1,452,647	1,339,052	8%
Repairs and Maintenance	200,038	248,100	168,100	79,491	53%
Other	116,958	209,600	197,100	2,665	99%
Total Operational Expenditure	1,498,541	1,910,347	1,817,847	1,421,208	22%
Net Operational Expenditure	1,393,552	-1,905,347	-1,817,847	-1,421,208	22%

COMMENT ON THE PERFORMANCE OF FIRE SERVICES OVERALL:

Fire services are being run on a minimum of 9 personnel members of which are also responsible for disaster management functions as well. There are four interns that still require their fire fighting qualifications. During the 2013/14 financial year temporary staff was also recruited through the EPWP programme to assist during fire season to cope with the burning of fire breaks. Through the Nkangala District municipality the municipality is being assisted with fire and rescue vehicles and equipments. Response turnout times are as indicated in the table above.

3.18 OTHER (DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES AND OTHER)

INTRODUCTION TO DISASTER MANAGEMENT

Legislation places the responsibility of disaster management as a District function however, ELM being the closest to local communities, is not exempted from dealing with local disasters. Through the Disaster Management Plan, ELM highlights its position and preparedness in response to emergencies. Thus, the disaster management plan provides a guideline of whom and what should be done by the municipality in curbing and or addressing any case relating to disasters. A DMP is thus a proactive tool that seeks to minimize the adverse effects of disasters by affirming the municipality's readiness in deploying local resources. A 24 hour call centre has been established which incorporates a disaster centre of excellence.

Municipal Disaster Management policy objectives as taken from IDP							
Service Objectives	Outline service objective targets	2012/2013		2013/2014		2014/2015	
		Target	Actual	Target	Actual	Target	Actual
To create a conducive environment for increased public safety	Establishment of the 24 hour control room in partnership with the emergency services provider to improve communication and response time to incidents	One 24 hour control room operational by 30 June 2013	Operational in February 2013	One 24 hour control room operational by 30 June 2013	Operational in February 2013	6 Call Centre agents appointed through the EPWP initiative by 31 July 2014 and 28 February 2015	The Call centre agents were employed in July 2014 and the centre was operational from the 11 July 2014. Contracts were then renewed in 01 April 2015

COMMENT ON THE PERFORMANCE OF DISASTER MANAGEMENT OVERALL:

A disaster risk awareness campaign was also hosted in Madala Old location and Entokozweni/Emthonjeni during the 2014/2015 financial year. Various fire awareness campaigns were also conducted by the fire section. The municipality engages with Provincial disaster management and the district municipality in terms of disaster events that take place in the area. There is a need to popularize the 24 hour call centre number (**0861110110**) so that more people become aware of this service.

COMPONENT H: SPORT AND RECREATION

3.19 SPORT AND RECREATION

INTRODUCTION TO SPORT AND RECREATION

The Municipality has tried to address the issue of underdevelopment in existing sports infrastructure by means of upgrading sports facilities in Siyathuthuka, Sakhelwe, Emgwenya and Emthonjeni in prior years. Priorities like the planting of new grass, installation of flood lights and fencing, and renovation of ablution blocks were completed. However, vandalism of sports facilities, particularly in Emgwenya and Siyathuthuka, remains a challenge. The lack of maintenance funds also leads to deterioration of such facilities.

The municipality has an official dedicated to Sports, Arts and Culture that co-ordinates activities with the Sports Council and the Heritage committee.

Sports and Recreation policy objectives as taken from IDP							
Service Objectives	Outline service objective targets	2012/2013		2013/2014		2014/2015	
		Target	Actual	Target	Actual	Target	Actual
SPORT: To create an environment within which individuals can easily participate in a sporting code of their choice	Four activities	4	4	4	4	4	6
PARKS: To ensure accessibility of recreational facilities to the communities	900 visitors	900	960	820 visitors using the facility by 30 June 2014	530 visitors utilised the facilities as at 30 June 2014	-	-
Heritage: To promote and embrace the history and diverse cultural heritage of the South African people	Two activities	2	2	2	4	2	3

Employees: Sports and Recreation					
Job Level	2013/2014		2014/2015		
	Employees No	Post No	Employees No	Vacancies(fulltime equivalent	Vacancies (as a % of total posts)%
			No	No	
0-3	4	4	4	0	0%
4-6					
7-9					
10-12	1	1	1	0	0%
13-15					
16-18					
19-20					
Total	1	1	1	0	0%

Financial Performance: Sport and Recreation					
Details	2013/2014	2014/2015			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	112,032	95,871	47,082	34,864	26%
Expenditure:					
Employees	3,569,070	4,018,780	4,018,780	3,961,601	1%
Repairs and Maintenance	84,365	138,523	98,200	28,316	71%
Other	25,960	126,420	119,420	8,984	92%
Total Operational Expenditure	3,679,394	4,283,723	4,236,400	3,998,901	6%
Net Operational Expenditure	-3,567,362	-4,187,852	-4,189,318	-3,964,037	5%

COMMENT ON THE PERFORMANCE OF SPORT AND RECREATION OVERALL:

The Sports Council has also been established in the municipality. These functions generally are given priority in terms of available internal funds after the pressing issues of hard core service delivery matters are addressed. The Sports Arts and Culture officer does have a program and works closely with the Youth Office in the Office of the Executive Mayor when these events are being planned.

3.20 FINANCIAL SERVICES

INTRODUCTION FINANCIAL SERVICES

Emakhazeni Local Municipality has put more effort to ensure financial viability within the municipality although there were challenges with the property rates , where the initial budget rates were decreased to the value of R17 million due to the challenges that were faced by the municipality during the implementation of the 2014/15 valuation roll. Such a decreased had an impact in the financial position of the municipality

Debt Recovery						
Details of the types of account raised and recovered	Year 2013/2014	2014/2015			2015/2016	
	Actual for accounts billed in year	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Estimated outturn for accounts billed in year	Estimated Proportion of accounts billed that were collected %
Property Rates	44,872,654.77	17,797,978.82	20 514 215.22	115%	62,251,122	50%
Electricity - B	4,943,180.59	4,901,029.31	3 469 661.74	71%	5,886,989	50%
Electricity - C	11,534,100.92	28,272,365.48	10 253 784.13	36%	37,910,518	50%
Water – B	5,050,769.13	6,342,994.93	3 903 592.37	61%	7,482,908	50%
Water – C	6,201,678.42	6,962,112.85	4 754 387.41	77%	6,375,786	50%
Sanitation	6,586,478.35	8,136,023.53	4 837 547.19	59%	8,769,578	50%
Refuse	6,644,487.39	8,662,391.79	5 252 454.60	61%	8,996,287	50%

Property Rates closed on R17m after the adjustments as per the directive to revert back to the previous valuation roll. But the total amount collected was more than collected which resulted in credits on most property owner accounts.

Electricity sales at R28m which resulted in 36% collection, which is currently being addressed by implementing cut offs and the credit control policy adequately. Prepaid electricity monthly sales is at R2m.

Water sales at R6m resulted in collection of 61%.

Sanitation at R8m resulted in collection of 59%.

Refuse sales at R8m which resulted in collection of 61%.

Financial Services Objectives as taken from IDP								
OBJECTIVE	TARGET	2013/2014		2014/2015				
		Target	Actual	ACTUAL/PROGRESS	%	BUDGET ALLOCATED	BUDGET USED	REASON FOR DEVIATION /CHALLENGES
To ensure financial viability by maximizing revenue	Meter readers do monthly readings	New project	New project	All meters to be read every month for 12 months	79% water meter read 54% electricity meter s read	Salaries budget	Salaries budget	Some of the meters are faulty, not working and other are inaccessible
To ensure that procurement processes are fair, equitable, transparent, competitive and cost effective	4 local service providers to be appointed	New project	New project	93 local service providers were appointed	2325	Salaries budget	Salaries budget	None
To ensure compliance with legislative, reporting framework and prescribed accounting standards	To pay creditors within 30 days after the receipts of relevant documentation	To pay creditors within 30 days after the receipts of relevant documentation	creditors were paid when cash is availability	Creditors were not paid within 30 days after the receipts of relevant documentation	0	Salaries budget	Salaries budget	Cash constraints

Employees: Financial Services					
Job Level	2013/2014		2014/2015		
	Employees No	Post No	Employees No	Vacancies(fulltime equivalent No)	Vacancies (as a % of total posts)%
0-3	6	6	9	0	0%
4-6	11	13	11	2	18.18%
7-9	12	12	13	0	0%
10-12	7	9	8	1	12.5%
13-15	3	3	2	2	100%
16-18					
19-20					
Total					

Financial Performance: Financial Services					
Details	2013/2014	2014/2015			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	1,094,647	698,972	741,411	1,328,008	-79%
Expenditure:					
Employees	8,160,129	10,932,121	10,932,121	8,468,180	23%
Repairs and Maintenance	59,023	146,600	77,500	31,132	60%
Other	8,766,869	62,527,724	61,282,724	49,560,512	19%
Total Operational Expenditure	16,986,020	73,606,445	72,292,345	58,059,824	20%
Net Operational Expenditure	-15,891,373	-72,907,473	-71,550,934	-56,731,816	21%

COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL:

The financial service performance has not being good as the collection rate is 55 % and the municipality is unable to pay creditors within 30 days and it attracted interest and litigations from service providers. As it has been seen from the above table , the municipality is operating on a deficit in terms of the operating revenue against the operating expenditure. The revenue growth of the municipality is also on a negative, which then put astrain on the municipality to be financial viable.

3.21 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

Emakhazeni Local Municipality is a Category B in terms of payment of salaries as per the approved Task Grades in terms of the South African Local Government Bargaining Council (SALGBC) Wage Curve Collective Agreement. The salaries, allowances and benefits of Councillors and Section 56 Managers are placed on a Grade 2 level in terms of the determination of upper limits of salaries, allowances and benefits of Councillors.

The recruitment and selection of staff is done through the implementation of the Recruitment and Selection Policy of Council which was approved in 2007 and last reviewed on the 4 December 2012.

Appointed personnel are placed on relevant positions as per the approved organizational structure of the municipality. These organograms are reviewed on an annual basis in order to align the skills base of the municipality towards the implementation of priorities identified through the planning process.

Policies and procedures are put in place for the development of the organization, namely, recruitment and selection, skills development and retention of staff members.

Emakhazeni local municipality also participates in the Municipal Finance Management Internship Programme (MFMIIP) which is an attempt by National Treasury to build the municipalities capacity to deliver on their financial management responsibilities and thus their constitutional obligations

The municipality has been successful in the implementation and employed five Interns who took part in the programme this financial year.

Employees: Human Resources Services					
Job Level	2013/2014		2014/2015		
	Employees No	Post No	Employees No	Vacancies(fulltime equivalent No	Vacancies (as a % of total posts)%
0-3					
4-6	1	1	1	0	0
7-9					
10-12	1	1	1	0	0
13-15	1	1			
16-18					
19-20					
Total	3	3	3	0	0

Financial Performance: Corporate Services, Human Resource Services and ICT					
Details	2013/2014	2014/2015			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-	153,333	153,333	69,000	55%
Expenditure:					
Employees	8,236,910	7,854,703	7,854,703	7,685,586	2%
Repairs and Maintenance	109,154	151,224	136,224	136,445	0%
Other	2,388,094	2,745,929	2,678,353	2,530,966	6%
Total Operational Expenditure	10,734,159	10,751,856	10,669,280	10,352,997	3%
Net Operational Expenditure	-10,734,159	-10,598,523	-10,515,947	-10,283,997	2%

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL:

During the financial year in question, the municipality budgeted for 54, vacant posts to be filled and out of the posts filled, 31 posts were filled which resulted to a vacancy rate of 57%.

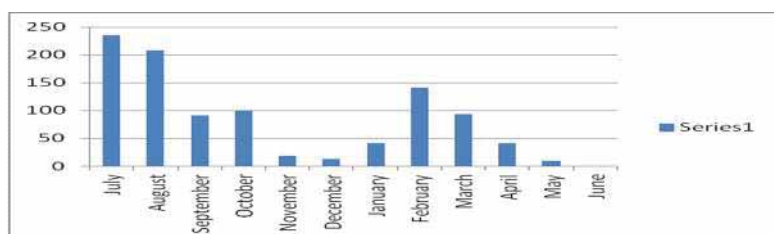
3.22 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

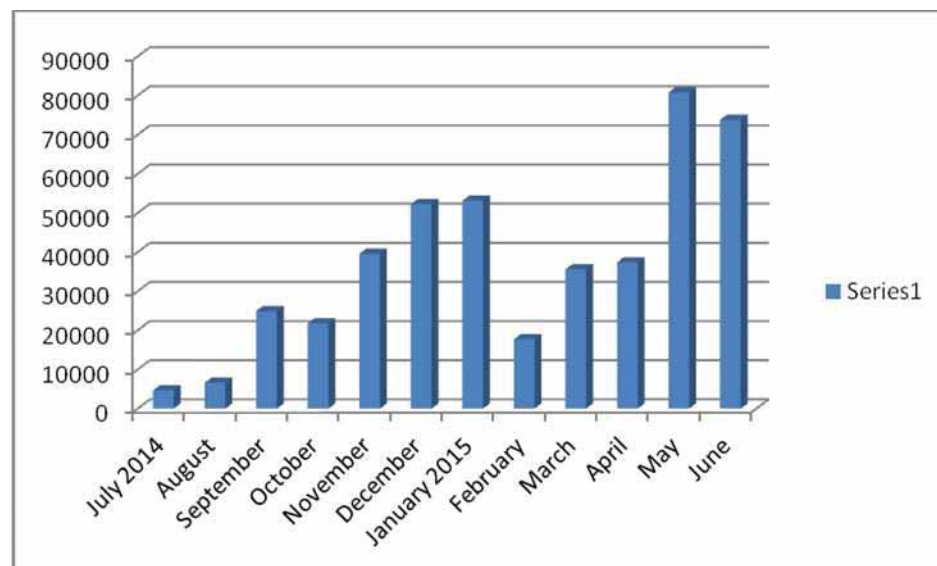
It is vitally important that the information technology development and progress of Emakhazeni LM maintains be kept in pace with external and worldwide ICT developments. Technology is no longer a luxury but a necessity for communication with the world. The wealth of information and services available are enormous. The full utilization of information technology will not only put the local authority on the fine edge of improvement but will increase service delivery enhancements. This will include spin-offs to the community at large.

SERVICE STATISTICS FOR ICT SERVICES

Servicing & Repairs: 991



SMS Service: 448,141 sent out.



ICT Services Objectives as taken from IDP								
OBJECTIVE	TARGET	2013/2014		2014/2015				
		Target	Actual	ACTUAL/PROGRESS	%	BUDGET ALLOCATED	BUDGET USED	REASON FOR DEVIATION /CHALLENGES
To have a reliable network with minimal interruptions	Supply of consumable spares to have in stock	Reliable network with minimal interruptions to the users by 30/06/2014	20.5%	Supplies were limited due to cash flow	20.53 %	R 60,000	R28,000	Due to cash flow, amount limited
To have a reliable Equipment coping with new technology & software	Upgrading of IT equipment To replace "end of Life" equipment with new and updated stock	Identify and replace "end of life" equipment quarterly	58%	Identify equipment to be replaced that is "End of life". Limited due to cash Flow	0%	0	0	Due to budget availability, this project was put on hold
To have faster data capturing and improved voice quality on VOIP telecommunication	To have faster data capturing and improved voice quality on VOIP telecommunication	Increased data & VOIP connectivity (Flow) by 30/06/2014	80%	New METRO exchange installed enabling a faster internet service of 15Mbps	100%		025260089 DATA 025235045 SMS/Email 023260060 Telephone	Continuity of power (generator out of action) This is been addressed

Emakhazeni Local Municipality

Munsoft Backup 2014-15

Statistics (Summary)

MONTH	GOOD	FAIL
July	24	7
August	19	11
September	26	4
October	25	6
November	27	3

December	28	3
January	27	4
February	20	7
March	25	6
April	22	8
May	27	4
June	28	2

Employees: IT Services					
Job Level	2013/2014		2014/2015		
	Employees No	Post No	Employees No	Vacancies(fulltime equivalent No	Vacancies (as a % of total posts)%
0-3					
4-6					
7-9	2	2	2	0	0%
10-12	2	2	2	0	0%
13-15	1	1	1	0	0%
16-18					
19-20					
Total	5	5	5	0	0%

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

1. Equipment:

Little has been achieved in the replacement of hardware. This is due to a lack of availability of budget. Spare parts also contributed to servicing equipment.

2. Communications:

a) VPN. (Virtual Private Network) serviced by Telkom.

b) Internet. SAIX. (South African Internet eXchange) serviced by Telkom.

A major upgrade of our internet data connection was carried out between, December 2014 to March 2015 to improve the quality of internet service to the municipality for both VoIP Phones and data. A fibre METRO exchange system was installed. This proved to be a very worthwhile expenditure with noticeable improvement in connectivity from 2Mbps to 15Mbps with the capability to expand to a 100Mbps going forward.

3. Software:

The invaluable assistance from our service provider Obsidian in assisting ICT with the upkeep and maintenance of software (open source) on our servers. This has allowed ICT to keep a high standard of services of data capturing and security (firewalls, anti-virus, unauthorised access, etc).

Spare license for desktop and laptops operating systems have expired. An alternative is been considered by the ICT Steering Committee to change to over to a terminal system. Subject to budget availability, this could materialise during 2015-16.

On the 29th June 2014 Microsoft introduced Windows 10 to replace all Windows previous operating systems (XP, VISTA and Windows 7 & 8.1). It is been offered free to all Windows OS users. This will prove a challenge, as it will be downloaded automatically with their normal updates. Causing pressure on our internet data flow when it happens, ICT is pro active on finding ways to stem this by doing a manual upgrade.

4. Service Delivery

a) Website – www.emakhazeni.gov.za and. It is a source of information to the public. It continues to be maintained in-house and is kept up-to-date by ICT, when information is received from departments for publication. The site was redesigned during 2014-15.

b) Email – This is now an essential part of everyday communication with clients and public.

c) SMS – For current service delivery notifications.

COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

This component includes: Annual Performance Scorecard Report for the current year.

Performance Management plays a vital role in the municipality as its main focus is institutional planning which requires adherence and compliance to certain legislations with very tight deadlines that must be met. The planning processes were done on time however service delivery has been hampered during this financial year due to lack of cash flow.

Performance Assessment and Evaluation

The Municipality must assess and evaluate the performance of all Section 56 employees as required by the Municipal performance management regulation 2006. The exercise was planned for the Annual Performance Assessments for the 2013/14 financial year as well as for the Mid-year Performance Assessments for the 2014/15 financial year. The panel for the assessments consisted of the Chairperson of the Audit Committee, Member of the Mayoral Committee, Municipal Manager from another municipality and Emakhazeni's Acting Municipal Manager.

The Annual Performance Assessments for the 2013/14 financial year could not continue due to the fact that during the assessments there were various inconsistencies with the performance regulations. It was established that Performance Agreements and the Performance Plans were not in line with Regulation hence, the assessments could not continue and addendums to correct the inconsistencies have been developed. The 2014/15 Mid-year Assessments were conducted successfully.

Summary of Mid-year Assessments

The assessments summary is excluding the Technical Services Department due to the unavailability of the manager for assessments.

TARGETS PLANNED	TARGETS ACHIEVED	TARGETS NOT ACHIEVED	Progress %
-----------------	------------------	----------------------	------------

97	39	58	40%
----	----	----	-----

Achievements

- ✓ A Performance Management Unit was established during the 2014/15 financial year.
- ✓ Annual Performance Assessments and Mid-year Assessments were conducted during the 2014/15 financial year.
- ✓ The Performance Management Policy Framework (2006) has been reviewed.
- ✓ The IDP, SDBIP and Revised SDBIP were approved within the legislated time period.
- ✓ Section 56 Managers signed their performance agreements (PA's).
- ✓ Addendums have been signed to correct the inconsistencies which were uncovered on the Performance Agreement as well as on the SDBIP.
- ✓ Performance was reported to Council

Challenges

- ✓ Performance Agreements and Performance Plans were not aligned to the Regulation.
- ✓ Performance Assessments had not been conducted since the 2006/07 financial year.

Lessons Learnt

Reporting requires that the priorities of the organisation, its performance objectives, indicators, targets, measurements and analysis, are taken and presented in a simple and accessible format, relevant and useful to the specified target groups for review. While it is important that the reporting formats are relevant, useful and cater for the reader's need in reviewing performance, the existence of too many reporting formats can become both confusing and burdensome to the organisation. The ideal situation is the existence of one reporting format that contains the necessary information for all users, yet remains simple and accessible to all users.

There has been a lot of improvement in terms of the Performance Management System of the municipality. All heads of departments are receptive to the implementation of the Performance Management System which would lead to greater attainment of targets. It is anticipated that council will be rolling down performance management at least to Deputy and Assistant Managers.

FINANCE DEPARTMENT
ANNUAL PERFORMANCE REPORT
2014/15 FINANCIAL YEAR

RESPONSIBLE OFFICIAL: MRS M.M. NGWENYA

Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Evidence
Financial viability	To ensure financial viability by maximizing revenue	To ensure that all meter readings are taken on a monthly basis both (electricity and water)	Number of meters read	New project	New project	Meter readers do monthly readings	All meters to be read every month for 12 months	Not Achieved Only 6117 which is 79% of the meters were read for 12 month Total electricity meters 782 and read 426 which is 54%	Salaries budget R 686 797	Salaries budget R 583 528	Some of the meters are faulty, not working and other are inaccessible	A report on faulty meters was handed over to technical services for repairs	Meter readings report

FINANCE DEPARTMENT													
ANNUAL PERFORMANCE REPORT													
2014/15 FINANCIAL YEAR													
RESPONSIBLE OFFICIAL: MRS M.M. NGWENYA													
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Evidence
Financial viability	To ensure financial viability by maximizing revenue	Ensure accurate billing of consumer accounts for rates and services	No of consumer accounts billed	New project	New project	Consumers are billed on a monthly basis	To bill 100% of consumers by the 20 th of each month	Not Achieved The billing for the month of July – 31 July Aug - 22 Aug Sept - 18 Sept 2014 Oct – 21 Oct 2014 Nov - 27 Nov 2014 Dec - 09 Jan 2015 Jan– 30 Jan 2015 Feb - 27 Feb 2015 Mar - 20 Mar 2015 Apr – 16 Apr May – 21 May Jun – 22 Jun	Salaries budget R 388 457	Salaries budget R 263 939	Delays in the process from meter readings contribute to the delays in the whole process up until to the billing processes	Installation of smart meters	Billing report
Financial viability	To ensure financial viability by maximizing revenue	To send out accounts on time	Accounts send out on time	New project	New project	Accounts are sent out on a monthly basis	To sent account by the 24 th of each month	Not Achieved Only accounts for July, September, November, Jan, March were send by the 24 th of each month	Salaries budget R 388 457	Salaries budget R 263 939	There are delays in the meter reading, capturing, billing and sending off accounts processes which results in the delays of issuing accounts	Develop a schedule for meter reading, capturing, billing and sending of accounts To improve the processes starting from meter readings which will effectively improve the billing and issuing of accounts	Invoice for posting of accounts

FINANCE DEPARTMENT ANNUAL PERFORMANCE REPORT 2014/15 FINANCIAL YEAR													
RESPONSIBLE OFFICIAL: MRS M.M. NGWENYA													
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Evidence
Financial viability	To ensure financial viability by maximizing revenue	To attend customers query before the next billing period	Consumer queries attended on time	New project	New project	Queries are resolved on ad hoc basis	To attend customer query before the next billing period	Not Achieved 24 queries received in July, only 10 resolved. 18 queries received in August, 10 resolved. 7 queries received in September and all were resolved 4 queries were received in October, only 1 resolved 6 queries received November and all of them resolved No queries received during December 2014 No queries received in January 2015 19 queries received in February – 0 resolved	Salaries budget R 839 164	Salaries budget R 490 537	Delays in investing queries due to shortage of staff	Positions of DM income has been advertised and will be filled	Register of queries

[illegible]

FINANCE DEPARTMENT ANNUAL PERFORMANCE REPORT 2014/15 FINANCIAL YEAR											
RESPONSIBLE OFFICIAL: MRS M.M. NGWENYA											
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Evidence
Financial viability	To ensure financial viability by maximizing revenue	Implementation of debt management policy and credit control policy	Improved collection rate	New project	New project	Debt management and credit control policy are implemented	To collect R3 600 000.00 per annum	Achieved R 21 832 914.32 was collected in the 2014/15 financial year	Salaries budget R 563 266	Salaries budget R 605 821	Arrangements made Cut off made Monthly report. Payment level report
Financial viability	To ensure that procurement processes are fair, equitable, transparent, competitive and cost effective	To rotate suppliers within the municipal database for procurement purposes	Number of local service providers appointed	New project	New project	SMME'S are appointed by the municipality	4 local service providers to be appointed	Achieved 93 local service providers were appointed	Salaries budget R 181 209	Salaries budget R 861 340	Procurement processes None

FINANCE DEPARTMENT ANNUAL PERFORMANCE REPORT 2014/15 FINANCIAL YEAR											
RESPONSIBLE OFFICIAL: MRS M.M. NGWENYA											
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Evidence
Financial viability	To ensure financial viability by maximizing revenue	To advertise all procurement which qualifies for advertisements	Number of procurement advertised	New project	New project	Procurement qualifying for advertisement are advertised	12 procurement qualifying for advertisement	Achieved 18 procurement qualifying for advertisement published	Salaries budget R 1 181 209	Salaries budget R 861 340	Copy of an advertisement
Financial viability	To ensure compliance with legislative, reporting framework and prescribed accounting standards	To pay creditors within 30 days after the receipts of relevant documentation	Paid creditors on time	To pay creditors within 30 days after the receipts of relevant documentation	creditors were paid when cash is availability	Only salaries are paid within 30 days after the receipts of time sheet, and the other creditors are paid as and when cash is available	To pay creditors within 30 days after the receipts of relevant documentation	Not Achieved Creditors were not paid within 30 days after the receipts of relevant documentation	Salaries budget 1 311 194	Salaries budget 1 012 149	Payment reports To maximize revenue collection and to make payment arrangements with creditors. Implement cost cutting measures

FINANCE DEPARTMENT ANNUAL PERFORMANCE REPORT 2014/15 FINANCIAL YEAR													
RESPONSIBLE OFFICIAL: MRS M.M. NGWENYA													
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Evidence
Financial viability	To manage and maintain all municipal assets to comply with GRAP 17	Acquire knowledge of the useful life of the immovable and movable assets for replacement purposes. and conducting asset verifications	Assets verified	New project	New project	Assets are verified on a monthly basis	4 full exercise to verify and determine useful life of all the assets	Not Achieved In conjunction with Ducharme the assets verification on movable assets has being concluded	Salaries budget R 447 176	Salaries budget R 441 027	Verifications was completed outside the financial year	Timeous verifications be conducted quarterly	Assets verification list
Financial viability	To manage and maintain municipal inventory for effective and efficiency service delivery	To conduct periodically inventory count.	Inventory count	New project	New project	Stock count is done at year end	4 periodical stock count per year	Not Achieved 2 periodical stock count were conducted (01 st July to 03 rd July 2014 and 30 June 2014- 3 rd July 2015)	Salaries budget R 478 478	Salaries budget R 269 637	Strike and lack of human resources	Post of the DM: Supply chain has since been filled and intern has been assigned with the responsibility	Inventory count report

FINANCE DEPARTMENT											
ANNUAL PERFORMANCE REPORT											
2014/15 FINANCIAL YEAR											
RESPONSIBLE OFFICIAL: MRS M.M. NGWENYA											
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Evidence
Financial viability	To ensure compliance with legislative and reporting framework.	To monitor Equitable share received from National Treasury	Received Equitable share	To monitor Equitable share received from National Treasury	Monitoring of Equitable share received from National Treasury was done	Equitable share was received as per the request DORA	Equitable share of R 39 515 000 000.00 to be received in the 2014/15 financial year	Achieved Equitable share of an amount of R41 432 000.00 was received in 2014/15 financial year	Salaries budget R 477 030	Salaries budget R 478 447	Payment sub
Financial viability	To ensure efficient, effective cash flow management	To pay creditors within 30 days after receiving the relevant documents	Creditors paid	To pay creditors within 30 days after receiving the relevant documents	Creditors were paid when cash is available	Expenditures were done	To pay related expenditure as and when required	Achieved Creditors for an amount of R41 432 000.00. were paid from Equitable share	Salaries budget R 311 194	Salaries budget R 1 012 149	Expenditure report

FINANCE DEPARTMENT													
ANNUAL PERFORMANCE REPORT													
2014/15 FINANCIAL YEAR													
RESPONSIBLE OFFICIAL: MRS M.M. NGWENYA													
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Evidence
Financial viability	To ensure compliance with legislative and reporting framework.	To develop an MSG activity plan with detailed budget and timeframe for the implementation of prioritized measureable outputs	Received MIS G	To develop an MSG activity plan with detailed budget and timeframe for the implementation of prioritized measureable outputs	MSG activity plan with detailed budget and timeframe was developed	MSG was received as per the request in terms of the business plan	MSG of R934 000.00 will be received in the 2014/15 financial year	Achieved MSG of R 934 000 was received in 2014/15 financial year	Salaries budget R 477 030	Salaries budget R 478 447	None	None	Payment sub
Financial viability	To ensure efficient, effective cash flow management	To implement the approved activity plan and pay relevant expenditure as and when required	No of training attended and improved system	New project	New project	Expenditures were done in terms of activity plan	To spend the full allocation	Not Achieved Spending was R 299 999.99 as at 30 th June 2015	Salaries budget R 1 311 194	Salaries budget R 1 012 149		Development of an expenditure plan	Expenditure report

FINANCE DEPARTMENT ANNUAL PERFORMANCE REPORT RESPONSIBLE OFFICIAL: MRS M.M. NGWENYA													
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Evidence
Financial viability	To ensure compliance with legislative, reporting framework and prescribed accounting standards	To submit monthly reports timeously to Provincial Treasury and National Treasury	Report submitted	New project	New project	Reports are submitted as per the requirement of the MFMA	To submit 12 report on time	Achieved 12 reports were submitted on time.	Salaries budget R 1 212 903	Salaries budget R 1 210 929	None	None	Proof of submission
Financial viability	To build the capacity of municipality and to implement sound institutional and governance systems required in terms of local government legislations.	Development and submission of the FMG support plan for the allocation of the Grant	FMG grant received	Development and submission of the FMG support plan for the allocation of the Grant	FMG support plan for the allocation of the Grant was developed	Receive allocations as per the DORA on time	FMG of R1800 000.00 will be received in the 2014/15 financial year	Achieved FMG of R1 800 000.00 was received in the 2014/15 financial year	Salaries budget R 1 212 903	Salaries budget R 1 210 929	None	None	Payment sub

FINANCE DEPARTMENT ANNUAL PERFORMANCE REPORT RESPONSIBLE OFFICIAL: MRS M.M. NGWENYA													
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Evidence
Financial viability	To ensure capacity building and implementation of the MFMA	Appointment of interns	5 interns appointed	New project	New project	5 interns were appointed in the 2012/13 financial year	Appointment of 5 interns and paying of their salaries	Achieved 5 interns were appointed and payment of salaries made.	Salaries budget R 389 683	Salaries budget R 154 043	None	None	Expenditure report
Financial viability	To ensure compliance with legislative, reporting framework and prescribed accounting standards	To submit monthly reports timeously to Provincial Treasury and National Treasury	Complying municipality	To submit monthly reports timeously to Provincial Treasury and National Treasury	monthly reports are timeously submitted to Provincial Treasury and National Treasury	Reports are submitted as per the requirement of the MFMA	To submit 12 reports on time	Achieved 12 report were submitted on time	Salaries budget 1 212 903	Salaries budget R 1 210 929	None	None	Proof of submission
Financial Viability Good Governance and public participation	To ensure compliance with legislative, reporting framework and prescribed accounting standards	To submit section 71 and 72 reports timeously to Provincial Treasury and National Treasury	Report submitted	To submit section 71 and 72 reports timeously to Provincial Treasury and National Treasury	Section 71 and 72 reports were timeously submitted to Provincial Treasury and National Treasury	Reports are submitted as per the requirements	To submit 12 section 71 and 1 section 72 report on time	Not Achieved 12 Section 71 and 1 Section 72 reports were submitted. Delays encountered in June 2015	Salaries budget R 1 212 903	Salaries budget R 1 210 929	June 2014 not yet submitted due to the delays in yearend processes	Proper planning and delegation of responsibilities	Proof of submission

FINANCE DEPARTMENT													
ANNUAL PERFORMANCE REPORT													
NGWENYA						RESPONSIBLE OFFICIAL: MRS M.M.							
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Evidence
Financial Viability	To ensure compliance with legislative, reporting framework and prescribed accounting standards	To prepare and submit interim financial statements on time	Interim financial statement prepared	New project	New project	Only Financial statements were prepared and submitted by the 31 August each year	To compile and submit AFS on time	Not Achieved Interim AFS were not compiled and submitted on time	Salaries budget R 1 212 903	Salaries budget R 1 210 929	Financial information was not ready for the purpose of preparing interim financial statements	Interim financial statements is planned to be prepared in 2015/16 financial year	Interim Financial Statements
Financial Viability	To ensure compliance with legislative, reporting framework and prescribed accounting standards	To prepare and submit annual financial statements on time	Annual financial statement prepared	To prepare and submit annual financial statements on time	The annual financial statements for 2012/2013 were submitted to Auditor General on the 31 st of August 2013. The audit was completed	Financial statements are prepared and submitted by the 31 August each year	To compile and submit AFS by the 31 st August 2014	Achieved The AFS for 2013/2014 were compiled and submitted by the 31 August 2014	Salaries budget R 1 212 903	Salaries budget R 1 210 929	None	None	Proof of submission to Auditor General

COMMUNITY SERVICES DEPARTMENT ANNUAL PERFORMANCE REPORT													
RESPONSIBLE OFFICIAL: MRS. N. SINGH													
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Evidence
Emergency Services (9)	To create a conducive environment for increased public safety.	Educate the community about public safety by conducting fire inspections in compliance to OHS Act/Fire regulations.	Number of fire inspections conducted	213 fire inspection to be conducted by 30 June 2014	171 fire inspections conducted as at end of May 2014	171 fire 2013/14 financial year.	134 fire inspection to be conducted by 30 June 2015.	Achieved 206 Fire inspections conducted by the end of June 2015	Salaries Budget R1 527 571	Salaries Budget R1 208 325	None	None	Inspection forms
Emergency Services (9)	To create a conducive environment for increased public safety.	To service fire extinguishers	Number of fire extinguishers serviced in municipal buildings	90 fire extinguishers serviced by 31 December 2013	90 Fire extinguishers serviced	Fire extinguishers are serviced annually as per fire regulations. A total of 90 fire extinguishers were serviced in the 2013/14 financial year	146 fire extinguishers serviced by 28 February 2015	Not Achieved 130 fire extinguishers were serviced by 28 February 2015.	R50 000.00 (Vote no:006 235038)	R18,543.10	Some fire Extinguishers in Engwenya are in very old condition and needs to be replaced.	Procure fire extinguishers for Engwenya	Requisitions, orders actual fire extinguishers

COMMUNITY SERVICES DEPARTMENT ANNUAL PERFORMANCE REPORT 2014/15 FINANCIAL YEAR											
RESPONSIBLE OFFICIAL: MRS. N. SINGH											
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Evidence
Emergency Services	To create a conducive environment for increased public safety	To procure fire hoses and nozzles within the municipal units as per fire requirements	Number of fire hoses and nozzles procured	10 Fire hoses 5 nozzles to be procured by the 30 June 2014	Requisition for nozzles was done awaiting the order from supply chain	A need has been identified to procure fire hoses within the municipal area and did not materialise in the 2013/14 financial year	10 Fire hoses and 5 nozzles to be procured by the 30 June 2015	Not Achieved Only Requisition was submitted for the procurement	R30 000.00 Vote number 006 305517	R00	Requisitions
Environmental Management	To promote public safety and ensure that the general environment is promoted in a sustainable manner	Identify and procure skilled services for assisting to cut dangerous trees that are causing a safety risk in the community	Number of skilled services procured.	To procure the service of skilled persons to assist with the cutting of dangerous trees identified through community consultation meetings and those identified by the Technical Services department by 30 June 2014.	No service provider was procured	NEW Project	To procure the service of skilled persons to assist with the cutting of dangerous trees identified through community consultation meetings and those identified by the Technical Services department by 30 June 2015.	Not Achieved Requisition was submitted for a service provider for the dangerous tree identified in Dullstroom	R30 600.00 Vote numbers: 016 235080	R00	Requisition, orders, list of trees

COMMUNITY SERVICES DEPARTMENT ANNUAL PERFORMANCE REPORT 2014/15 FINANCIAL YEAR										
RESPONSIBLE OFFICIAL: MRS. N. SINGH										
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent
Culture, Sports & Recreation	To improve the quality of the recreational facilities	Routine maintenance and renovations to facilities as identified to be carried out through usage of brush cutters for grass maintenance	Number of brush cutters procured	-	-	NEW Project Municipal facilities are in a deteriorating condition. Municipality responsible to maintain the following: 5 Stadiums 5 Halls, 11 Cemeteries cleaned on a bi-weekly basis	6 brush cutters to be procured by the 30 November 2014	Not Achieved 6 Brush cutters were procured by 18 December 2014	R30 000.00 R120 000.00 Votes: 003 305020, 015 305020, 016 305020	R14 940.00 (EPWP)
										Reason for Deviation
										Corrective Action
										Evidence
										Requisition, orders, invoice brush cutters

COMMUNITY SERVICES DEPARTMENT ANNUAL PERFORMANCE REPORT 2014/15 FINANCIAL YEAR													
RESPONSIBLE OFFICIAL: MRS. N. SINGH													
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Evidence
Environmental and Waste Management (11)	To provide a safe, effective and economical waste collection service and safe-guarding of municipal assets and property	Providing refuse removal services to the communities and business sector as per schedule	100% of accessible Households and Businesses receiving the service with improved cleanliness	Ensure that 100% of accessible residents (urban areas) receive the service once per week and the businesses receive the service twice per week during the 2013/14 financial year	83.3% of accessible residents (urban areas) receive the service once per week and the businesses receive the service twice per week during the 2013/14 financial year	Currently collecting from all urban households & business areas except the informal settlements and rural areas. Census 2011 stats indicates a 71,74% refuse removal. A feasibility study needs to be conducted for the rural and informal	Ensure that 100% of accessible residents (urban areas) receive the service once per week and the businesses receive the service twice per week during the 2014/15 financial year	Not Achieved Refuse collection was on schedule during the first quarter and in October 2014. Thereafter challenges from 12 November 2014 and then again from 19 December 2014 until 19 January 2015 due to the municipal strikes. Entokozweni – 8 days collection not done due to breakdown of compactor truck. Engwenya – 2 days collection not done due to sharing of compactor truck with Dullstroom	Income Vote: R8,487 064.00 Vote number: 020 260040	R4, 582. 72	Municipal strikes in November 2014 and from 19 Dec to end of December 2014 caused a service backlog. 4 Broken trucks caused backlogs –in all the units as only one vehicle was for a period only working in the entire municipal jurisdiction having to cover all four units.	Strengthen relationship between employer and employee to avoid disputes. Development of fleet management plan for repairs and maintenance. Request submitted to NDM to procure two compactor trucks for the 2015/16 financial year	Weekly reports

RESPONSIBLE OFFICIAL: MRS. N. SINGH

COMMUNITY SERVICES DEPARTMENT ANNUAL PERFORMANCE REPORT 2014/15 FINANCIAL YEAR													
RESPONSIBLE OFFICIAL: MRS. N. SINGH													
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Evidence
Environmental and Waste Management (11)	To maintain and provide appropriate landfill sites	Appoint service providers to maintain the landfill sites (Dullstroom, Emakhazeni, Engwenya and Entokozweni)	Number of service providers appointed	Service providers to be appointed for the maintenance of the 3 landfill sites by 30 April 2014	4 service providers appointed based on a month to month contract	All 4 landfill sites were being maintained on a month to month contract	Service providers to be appointed for the maintenance of the 4 landfill sites by 28 Feb 2015.	Not Achieved	R1 000 000.00 Vote number: 020 235057	R688 870.00	Late appointment of the service providers due to unavailability of Bid committee members to finalise reports.	The schedule has been developed for the sittings of Bid Committees	Contracts specifications, Appointment letters,
				48 Maintenance sessions by 30 June 2014	37Maintenance sessions Were done by 30 June 2014	37 maintenance sessions were done in the 2013/14 financial year	Monitoring on the 37 maintenance sessions that are expected to be conducted per year by 30 June 2015.	Not Achieved 20,5 maintenance sessions were conducted by 30 June 2015			Non appointment of service providers has impacted on maintenance sessions being impacted negatively	The schedule has been developed for the sittings of Bid Committees	Weekly reports

COMMUNITY SERVICES DEPARTMENT ANNUAL PERFORMANCE REPORT 2014/15 FINANCIAL YEAR													
RESPONSIBLE OFFICIAL: MRS. N. SINGH													
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Evidence
Environmental and Waste Management (11)	To ensure that the general environment is protected and promoted in a sustainable way	Rehabilitate illegal dumping sites in all units	Number of illegal dumping sites rehabilitated	14 illegal dumping areas be rehabilitated by 30 June 2014	7 illegal dumping sites were rehabilitated by 30 June 2014	Total of 63 illegal areas were within the municipal area 7 Illegal sites were rehabilitated in 2013/14	8 illegal dumping areas be rehabilitated by 30 June 2015	Not Achieved 7 illegal dumping sites were rehabilitated by 30 June 2015	Salaries Budget R 5 192 514	Salaries Budget R 5 234 616	Municipal strike during Nov and Dec caused backlogs in the third quarter. Non availability of equipments is also a contributing factor.	Strengthen relationship between employer and employee to avoid disputes. Development of fleet management plan for repairs and maintenance.	Illegal dumping sites Weekly reports
Environmental and Waste Management (11)	To ensure that the general environment is protected and promoted in a sustainable way.	Maintenance of illegal dumping sites in all units.	Number of cleaning session of illegal dumping sites.	480 cleaning session on illegal dumping sites by 30 June 2014.	713 cleaning sessions were done by 30 June 2014	Total of 63 illegal areas identified in the municipal area.	528 cleaning session on illegal dumping sites together with bulk bins by 30 June 2015	Achieved 661 cleaning sessions on illegal dumping sites together with bulk bins conducted by 30 June 2015	R8 293.00 Vote number: 020 235020	R4 334.65	-	-	Cleaning illegal dumping sites Weekly reports

COMMUNITY SERVICES DEPARTMENT ANNUAL PERFORMANCE REPORT 2014/15 FINANCIAL YEAR													
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Evidence
Health(8) and Environmental management (11)	To ensure that the general environment is protected and promoted in a sustainable way.	Collect sewerage water samples for compliance monitoring according to Green drop and License requirements	Number of samples taken	624 samples per year as at 30 June 2014	617 samples for sewerage works taken for compliance monitoring By 30 June 2014	534 Samples taken according to green drop requirements for water quality monitoring purposes	624 samples per year as at 30 June 2015	Not Achieved 594 samples taken as at 30 June 2015	R100 000.00 Vote number: 009260042	R13,361.15	Municipal Strike affected the sampling programme during January 2015 whereby access to some sampling points was restricted and not accessible	Strengthen relationship between employer and employee to avoid disputes.	Samples results
Health(8) and Environmental management (11)	Ensure that communities have access to safe drinking water and that water sources are not polluted through water monitoring programs.	Collect water samples from the water purification plants, taps, reservoirs, springs and boreholes for compliance monitoring according to SANS 241 water quality	Number of samples taken	700 samples per year as at 30 June 2014	732 samples for water purification plants, taps, reservoirs, springs and boreholes for compliance monitoring by 30 June 2014	692 Samples taken according to blue drop requirements for water quality monitoring purposes	700 samples per year as at 30 June 2015	Achieved 753 samples taken as at 30 June 2015	R100 000.00 Vote number: 009260042	R13,361.15	-	-	Samples results

COMMUNITY SERVICES DEPARTMENT ANNUAL PERFORMANCE REPORT 2014/15 FINANCIAL YEAR													
RESPONSIBLE OFFICIAL: MRS. N. SINGH													
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Evidence
Environmental and Waste Management (11)	To provide a safe, effective and economical waste collection service	Providing refuse removal services to the communities and business sector as per street cleaning programme using refuse bags for collection	Number of refuse bags procured	-	-	Refuse bags are purchased on a bi monthly basis for street cleaning purposes.	1750 packs refuse bags to be procured by the 30 June 2015	Achieved 2450 packs refuse bags were procured by 30 June 2015	R55 000.00 Vote: 020 260029	R51,153.46	-	-	Procurement of refuse bags Requisitions/invoices
Emergency Services	To create a conducive environment for increased public safety.	Conduct fire breaks throughout the municipality to mitigate and prevent fire risks by appointing EPWP	Number of EPWP appointed to assist with fire breaks during burning season	-	-	Fire breaks are done but not per prescribed schedule due to unforeseen weather conditions. 10 EPWP appointed by 30 June 2014	10 EPWP to be appointed 01 May 2015 to assist with fire breaks.	Not Achieved EPWP positions were advertised and closing date was July 2015	R41 000.00 R7 700.00 (Vote number: 006 260025, 006 260040) EPWP	R00	Late advertisement of EPWP positions due to lack of budget	Application has been made for the EPWP to assist in the fire services	Appointment letters

COMMUNITY SERVICES DEPARTMENT ANNUAL PERFORMANCE REPORT 2014/15 FINANCIAL YEAR													
RESPONSIBLE OFFICIAL: MRS. N. SINGH													
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Evidence
Emergency Services (9)	To create a conducive environment for increased public safety.	Establishment of the 24 hour control room to improve communication and response time to incidents .improve communication and response time to incidents.	Number of call centre agents appointed	-	-	New project to be run internally. A need exists to have a control room for incidents to be reported accordingly.	6 Call Centre agents appointed through the EPWP initiative by 31 July 2014 and 28 February 2015	Not Achieved 6 Call Center agents were appointed through EPWP in July 2014 and Contracts were then renewed in 01 April 2015	EPWP	- R 109 325	Delays with the renewal of contracts	Application has been made for the EPWP to assist in the fire services	Call centre agents appointment letters
Emergency Services (9)	To create a conducive environment for increased public safety.	Educate the community about public safety by conducting fire awareness campaigns particularly at schools and old age homes	Number of fire awareness initiatives conducted	11 fire awareness initiatives by 30 June 2014.	4 fire awareness initiatives were done	4 fire awareness initiatives were done in the 2013/14 financial year	4 fire awareness initiatives by 30 June 2015.	Achieved 14 fire awareness was and initiatives were conducted by 30 June 2015.	Salaries Budget R 1 527 571	Salaries Budget R 1 208 325	Institutions such as schools requested that the programme be extended	-	Awareness campaigns reports/photographs

COMMUNITY SERVICES DEPARTMENT													
ANNUAL PERFORMANCE REPORT													
2014/15 FINANCIAL YEAR													
RESPONSIBLE OFFICIAL: MRS. N. SINGH													
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Evidence
Emergency Services (9)	To create a conducive environment for increased public safety.	Ensuring that road traffic regulations are adhered to by increasing visibility of Traffic Officers through Arrive Alive campaigns and road blocks.	Number of road blocks and arrive alive campaigns conducted	-	-	14 Traffic Officers employed, 5 assist with licensing responsibilities during the week. Easter and December Festive season are the busiest seasons with regards to the traffic passing the municipal area. The municipality also has the busy N4 that runs through the area.	1 Arrive alive campaign to be conducted by the 30 April 2015. 4 Internal road blocks to be conducted by 30 June 2015	Achieved 1 Arrive alive campaign was conducted by 30 April 2015 7 Internal road blocks conducted by 30 June 2015	Income: R 300 000.00 (Vote number: 030 040010) R 5,100 000.00 (Vote number: 030 060084) Expenditure: R 2,550 000.00 (vote number: 030 260079)	R138,980.00	-	-	Roadblock reports
										R8,353 066.77			
										R4,448,121.53			

COMMUNITY SERVICES DEPARTMENT													
ANNUAL PERFORMANCE REPORT													
2014/15 FINANCIAL YEAR													
RESPONSIBLE OFFICIAL: MRS. N. SINGH													
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Evidence
Emergency Services (9)	To create a conducive environment for increased public safety.	Ensuring that road traffic regulations are adhered to by increasing visibility of Traffic Officers through Arrive Alive campaigns and road blocks.	Number of road blocks and arrive alive campaigns conducted	-	-	14 Traffic Officers employed, 5 assist with licensing responsibilities during the week. Easter and December Festive season are the busiest seasons with regards to the traffic passing the municipal area. The municipality also has the busy N4 that runs through the area.	1 Arrive alive campaign to be conducted by the 30 April 2015. 4 Internal road blocks to be conducted by 30 June 2015	Achieved 1 Arrive alive campaign was conducted by 30 April 2015 7 Internal road blocks conducted by 30 June 2015	Income: R 300 000.00 (Vote number: 030 040010) R 5,100 000.00 (Vote number: 030 060084) Expenditure: R 2,550 000.00 (vote number: 030 260079)	R138,980.00	-	-	Roadblock reports
										R8,353 066.77			
										R4,448,121.53			

COMMUNITY SERVICES DEPARTMENT													
ANNUAL PERFORMANCE REPORT													
2014/15 FINANCIAL YEAR													
RESPONSIBLE OFFICIAL: MRS. N. SINGH													
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Evidence
Emergency Services (9)	To create a conducive environment for increased public safety.	Ensuring that road traffic regulations are adhered to by increasing visibility of Traffic Officers through Arrive Alive campaigns and road blocks.	Number of road blocks and arrive alive campaigns conducted	-	-	14 Traffic Officers employed, 5 assist with licensing responsibilities during the week. Easter and December Festive season are the busiest seasons with regards to the traffic passing the municipal area. The municipality also has the busy N4 that runs through the area.	1 Arrive alive campaign to be conducted by the 30 April 2015. 4 Internal road blocks to be conducted by 30 June 2015	Achieved 1 Arrive alive campaign was conducted by 30 April 2015 7 Internal road blocks conducted by 30 June 2015	Income: R 300 000.00 (Vote number: 030 040010) R 5,100 000.00 (Vote number: 030 060084) Expenditure: R 2,550 000.00 (vote number: 030 260079)	R138,980.00	-	-	Roadblock reports
										R8,353 066.77			
										R4,448,121.53			

COMMUNITY SERVICES DEPARTMENT													
ANNUAL PERFORMANCE REPORT													
2014/15 FINANCIAL YEAR													
RESPONSIBLE OFFICIAL: MRS. N. SINGH													
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Evidence
Emergency Services(9)	To create a conducive environment for increased public safety.	Ensuring that road traffic regulations are adhered to by increasing visibility of Traffic Officers through Arrive Alive campaigns and road blocks.	Number of road blocks and arrive alive campaigns conducted	-	-	14 Traffic Officers employed, 5 assist with licensing responsibilities during the week. Easter and December Festive season are the busiest seasons with regards to the traffic passing the municipal area. The municipality also has the busy N4 that runs through the area.	1 Arrive alive campaign to be conducted by the 30 April 2015. 4 Internal road blocks to be conducted by 30 June 2015	Achieved 1 Arrive alive campaign was conducted by 30 April 2015 7 Internal road blocks conducted by 30 June 2015	Income: R 300 000.00 (Vote number: 030 040010) R 5,100 000.00 (Vote number: 030 060084) Expenditure: R 2,550 000.00 (vote number: 030 260079)	R138,980.00	-	-	Roadblock reports
										R8,353 066.77			
										R4,448,121.53			

[illegible]

COMMUNITY SERVICES DEPARTMENT											
ANNUAL PERFORMANCE REPORT											
2014/15 FINANCIAL YEAR											
RESPONSIBLE OFFICIAL: MRS. N. SINGH											
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Evidence
Traffic, Safety and Security (10)	To ensure efficient licensing service delivery to the community	Conduct learners and drivers licenses tests, card renewals, PrPDs and road-worthy certificates Implementation of the Records Management Policy.	Revenue generated from licensing services	2900 learners applicants	2543 Learner applications	2543 Learner applications	Ensure that services rendered are paid for as per the government gazette policy tariff by 30 June 2015	Achieved	R2 600.00	R749.50	eNatis reports
				3700 drivers applicants	3240 drivers applications	3240 drivers applications		Services rendered are paid for as per the government gazette policy by 30 June 2015	Vote Numbers:, 030 45030, 030 45040, 030 60002 and 030 60060	R24.40 R9170.18 R932.36	
				3500 cards renewed	3945 cards renewal applications	3945 cards renewal applications					
				600 PrPD issued	659 PrPD applications	659 PrPD applications			Annual budget allocation: (Libraries)	R3,981.70 R22.00	
				By 30 June 2014	Were conducted by 30 June 2014	Were conducted in the 2013/14 financial year.			Income vote R 4 360.00 Vote numbers: 004 60040, 60071, 004 40010, 004 60050	R20.00 R140.00	

COMMUNITY SERVICES DEPARTMENT ANNUAL PERFORMANCE REPORT 2014/15 FINANCIAL YEAR													
RESPONSIBLE OFFICIAL: MRS. N. SINGH													
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Evidence
Culture, Sports & Recreation (7)	To ensure accessibility of recreational facilities to the communities	Provide affordable community access to amenities for social and recreational functions and activities.	Provision of amenities for community to access.	Provide the community with access to facilities as per the approved tariff of Council by the 30 June 2014	Provided the community with access to facilities as per the approved tariff of Council by the 30 June 2014	Provided the community with access to facilities as per the approved tariff of Council by the 30 June 2014	Provide the community with access to facilities as per the approved tariff of Council by the 30 June 2015	Achieved Provided the community with access to facilities as per the approved tariff of Council by the 30 June 2015	Annual budget allocation:R18 978.00 (Parks/Grounds/Social Services) Income Vote Numbers: 016 20011 and 007 260040 Annual budget allocation: R 43 722.00 (Parks& Chalets) Income Vote Numbers: 015 20060, 015 60074 ,015 45010,015 60072 Expenditure: 015 260040 R 3000.00 Expenditure vote: 004 26 0005, 260006 :R14081.00 Annual budget allocation: R 78 190.00 Vote numbers: (Vote numbers: 015 235025, 016 235020, 235040, 260043 and 007 260040 and 003 235010, 235030)	R0 R976.11 R14,168.25 R13,501.24 R5322.03 R 1872.00 R1,721.97 R203.69 R7,262.28 R976.11 R13,105.26 R20,490.36	-	-	Lease/rental amenities Receipts, budget variance report

COMMUNITY SERVICES DEPARTMENT													
ANNUAL PERFORMANCE REPORT													
2014/15 FINANCIAL YEAR													
RESPONSIBLE OFFICIAL: MRS. N. SINGH													
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Evidence
Traffic, Safety and Security	To ensure efficient and controlled community services to the community	Issue trade license, dog license, fines for lost and late books for library services, advertising costs and other sundry income received for services rendered.	Revenue generated from sundry services	Ensure that services rendered are paid for as per the tariff policy of Council by 30 June 2014	Income was received for services rendered and paid for as per the tariff policy of Council by 30 June 2014 amounting to R46 11.83	Services have been rendered but no system was in place to ensure that these services are formally reported on.	Ensure that services rendered are paid for as per the tariff policy of Council by 30 June 2015	Achieved	R2 600.00	R749.50	-	-	Reports library services, budget variance report
Culture, Sports & Recreation									Vote Numbers:, 030 45030, 030 45040, 030 60002 and 030 60060	R24.40			
									Annual budget allocation: (Libraries)	R9170.18			
									Income vote R 4 360.00	R932.36			
									Vote numbers: 004 60040, 60071, 004 40010, 004 60050	R3,981.70			
										R22.00			
										R20.00			
										R140.00			

COMMUNITY SERVICES DEPARTMENT ANNUAL PERFORMANCE REPORT 2014/15 FINANCIAL YEAR													
RESPONSIBLE OFFICIAL: MRS. N. SINGH													
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Evidence
Emergency Services (9)	To create a conducive environment for increased public safety.	Appointment and monitoring of the security service provider to assist in providing a safer working environment	Number of security service providers appointed	-	-	The service providers contract was extended until the end of November 2014	One security service provider to be appointed by December 2014.	Achieved One service provider was appointed by December 2014.	R3 867 604.00 Vote number: 030 260052	R2,864,417.81	-	-	Contract
			Number of reports submitted	12 monthly reports to be submitted by security service by 30 June 2014	12 monthly reports submitted by Security Service Provider.	Monthly reports by Security Service Provider is a standing item on Council agendas	12 monthly reports to be submitted by security service provider by 30 June 2015.	Achieved 12 Monthly reports submitted by security service provider by 30 June 2015.					Monthly reports
		Monitoring of CIT service provider through monthly meetings	Number of CIT meetings held	04 monthly meetings with the CIT providers by 30 June 2014.	None for CIT.	No meetings were held with CIT in the 2013/14 financial year	6 monthly meetings with the CIT providers by 30 June 2015.	Not Achieved 2 monthly meetings with the CIT provider was conducted by 30 June 2015	Salaries Budget R 486 160	Salaries Budget R 575 596	Non availability of CIT to attend the planned schedule of meetings	Improve communication and re-schedule dates that will be suitable to ELM and CIT.	Monthly reports, email correspondence to the company

RESPONSIBLE OFFICIAL: MRS. N. SINGH

COMMUNITY SERVICES DEPARTMENT ANNUAL PERFORMANCE REPORT 2014/15 FINANCIAL YEAR											RESPONSIBLE OFFICIAL: MRS. N. SINGH			
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Evidence	
Emergency Services (9)	To create a conducive environment for increased public safety.	Ensure that machinery and equipment is in compliance to OHS Act/Fire regulations.	Fire and rescue machinery and equipment maintained/replaced as per number of inspection reports.	Inspect on a monthly basis from March 2014 the fire and rescue equipment and machinery for compliance to regulations by 30 June 2014.	No inspection reports were compiled.	New indicator	10 monthly inspection reports on the fire and rescue equipment and machinery for compliance to regulations by 30 June 2015.	Achieved 10 monthly inspection reports on the fire and rescue equipment and machinery for compliance to regulations by 30 June 2015 were conducted	R20 000.00 Vote Number: 006 235040	R0	-	-	Equipment inspection forms	

COMMUNITY SERVICES DEPARTMENT ANNUAL PERFORMANCE REPORT 2014/15 FINANCIAL YEAR											RESPONSIBLE OFFICIAL: MRS. N. SINGH			
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Evidence	
Emergency Services (9)	To create a conducive environment for increased public safety.	Ensure that machinery and equipment is in compliance to OHS Act/Fire regulations.	Fire and rescue machinery and equipment maintained/replaced as per number of inspection reports.	Inspect on a monthly basis from March 2014 the fire and rescue equipment and machinery for compliance to regulations by 30 June 2014.	No inspection reports were compiled.	New indicator	10 monthly inspection reports on the fire and rescue equipment and machinery for compliance to regulations by 30 June 2015.	Achieved 10 monthly inspection reports on the fire and rescue equipment and machinery for compliance to regulations by 30 June 2015 were conducted	R20 000.00 Vote Number: 006 235040	R0	-	-	Equipment inspection forms	

Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Evidence
Emergency Services (9)	To create a conducive environment for increased public safety.	Ensure that machinery and equipment is in compliance to OHS Act/Fire regulations.	Fire and rescue machinery and equipment maintained/replaced as per number of inspection reports.	Inspect on a monthly basis from March 2014 the fire and rescue equipment and machinery for compliance to regulations by 30 June 2014.	No inspection reports were compiled.	New indicator	10 monthly inspection reports on the fire and rescue equipment and machinery for compliance to regulations by 30 June 2015.	Achieved 10 monthly inspection reports on the fire and rescue equipment and machinery for compliance to regulations by 30 June 2015 were conducted	R20 000.00 Vote Number: 006 235040	R0	-	-	Equipment inspection forms

COMMUNITY SERVICES DEPARTMENT ANNUAL PERFORMANCE REPORT 2014/15 FINANCIAL YEAR													
RESPONSIBLE OFFICIAL: MRS. N. SINGH													
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Evidence
Traffic, Safety and Security (10)	To create a conducive environment for increased public safety.	Ensure that machinery and equipment is in compliance to OHS Act.	Traffic law enforcement and machinery maintained/replaced as per number of inspection reports.	Inspect on a monthly basis from March 2014 the traffic law enforcement equipment and machinery for compliance to OHS act by 30 June 2014.	No inspection reports were compiled.	New indicator	10 monthly inspection reports on traffic law enforcement equipment and machinery for compliance to OHS act by 30 June 2015.	Achieved 10 monthly inspection reports on traffic law enforcement equipment and machinery for compliance to OHS act by 30 June 2015 were conducted.	R102 000.00 Vote Number: 030 235020, 030 235040, 030 235053	R85,038.30	-	-	Equipment inspection forms
Culture, Sports & Recreation (7)	To create an environment within which individuals can easily participate in a sporting code of their choice	Organizing sport and recreational activities	Number of sports activities held	4 sport activities to be held by 30 June 2014	3 Sports activities were held as at 30 June 2014	2 sporting activities held annually	4 sport activities to be held by 30 June 2015	Achieved 6 Sporting activities were held as at 30 June 2015	R40 000.00 Vote numbers: (007 260012)	R31,261.53	-	-	Sports events reports/photographs

RESPONSIBLE OFFICIAL: MRS. N. SINGH

COMMUNITY SERVICES DEPARTMENT ANNUAL PERFORMANCE REPORT 2014/15 FINANCIAL YEAR													
RESPONSIBLE OFFICIAL: MRS. N. SINGH													
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Evidence
Culture, Sports & Recreation (7)	To promote and embrace the history and diverse cultural heritage of the South African people	To Educate communities on cultural heritage through the hosting of cultural events	Number of cultural events held	2 cultural events to be held by 31 March 2014	4 cultural events were held by 31 March 2014	Two cultural events are being held annually Kwazimkhulu cultural event (Sunbury) *Emakhazeni Culture festival (Dullstroom)	2 cultural events to be held by 31 March 2015	Achieved 3 Cultural events were held by 31 March 2015.	R10 000.00 (Vote numbers: 007 260012)	R31,261.53	-	-	Cultural events reports/photographs
Traffic, Safety and Security	To ensure efficient licensing service delivery to the community	Safe guarding of licensing documents through proper filing	Number of filing cabinets procured	-	-	New Indicator The municipality on estimate tests 2900 learners, 3700 driver applicants and does 3500 card renewals and 600 PrPD per annum and thus record keeping is extremely important for such sensitive documents	5 filing cabinets to be procured the 31 September 2014	Achieved 5 Filing cabinets were procured on 22 August 2014.	R10 200.00 Vote: 030 305010	R10 018.20	-	-	Requisitions, orders, invoice, actual filing cabinets

CORPORATE SERVICES DEPARTMENT													
ANNUAL PERFORMANCE REPORT 2014/2015													
MANAGEMENT COMMITTEE MEETINGS							RESPONSIBLE OFFICIAL: MR. M.I. ABDULLAH						
KPA	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Portfolio of Evidence
Good Governance	To promote Good Governance	Develop Agenda with minutes of the Management Committee	Number of Agendas issued.	24 Agendas/meetings by 30/06/2014	09 Agendas/ Meetings held in 2013/2014 financial year	09 Agendas/ Meetings held in 2013/2014 financial year	12 Agendas/meetings by 30 June 2015	Achieved (13) Agendas/meetings held by 30 June 2015	Salaries Budget R215 096	R 257 135	None	N/A	Agendas Attendance Registers Minutes
SECTION 80 COMMITTEE MEETINGS													
Good Governance	To promote Good Governance	Develop Agenda with minutes of the Section 80 Committee	Number of Agendas issued.	33 Agendas/meetings by 30/06/2014	30 Section 80 Meetings held in 2013/2014 financial year	30 Section 80 Meetings held in 2013/2014 financial year	33 Agendas/meetings by 30/06/2015	Achieved 33 Agendas/meetings held by 30/06/2015	Salaries Budget R 326 206	R 352 923	None	Not applicable	Agendas Attendance Registers Minutes
MAYORAL COMMITTEE MEMBERS													
Good Governance	To promote Good Governance	Develop Agenda with minutes of the Mayoral Committee meeting.	Number of Agendas issued.	11 Agendas/meetings by 30/06/2014	11 Mayoral Committee Meetings held in 2013/2014 financial year	11 Mayoral Committee Meetings held in 2013/2014 financial year	11 Agendas/meetings by 30/06/2015	Achieved (15) Agendas/meetings held by 30/06/2015	Salaries Budget R 215 096	R 223 760	Not applicable	None	Agendas Attendance Registers Minutes

COUNCIL MEETINGS										
Good Governance	To promote Good Governance	Develop Agenda with minutes of Council.	Number of Agendas issued.	06 Agendas/meetings by 30/06/2014	13 Council Meetings held in 2013/2014 financial year	06 Agendas/meetings by 30/06/2015	Achieved (16) Agendas/meetings held by 30/06/2015	Salaries Budget R 1 107 681	R 746 233	Not applicable
										None
										Agendas Attendance Registers Minutes
SECTION 79 COMMITTEE										
Good Governance	To promote Good Governance	Develop Agenda with minutes of the Section 79 Committees	Number of Agendas issued.	18 Agendas/meetings by 30/06/2014	11 Section 79 Committee Meetings held in 2013/2014 financial year	18 Agendas/meetings by 30/06/2015	Not Achieved 14 Agendas/meetings by 30/06/2015	Salaries Budget R 326 206	R 352 923	Other meetings did not sit due to late submissions of reports
										To hold meetings as per the calendar of events.
										Agendas Attendance Registers Minutes
MUNICIPAL PUBLIC ACCOUNTS COMMITTEE										
Good Governance	To promote Good Governance	Develop Agenda with minutes of the MPAC	Number of Agendas issued.	New	One Committee Meeting held in 2013/2014 financial year	04 agendas/meetings by 30/06/2015	Achieved (12) Agendas/meetings held by 30/06/2015	Salaries Budget	R 127 226	Not applicable
										None
										Agendas Attendance Registers Minutes
RECORDS MANAGEMENT ADVISORY COMMITTEE										
Good Governance	To safeguard the municipal records by ensuring that all the policies are adhered to, together with National Archives Act.	To meet quarterly to monitor the keeping of records.	Number of RMAC meetings	04 agendas/meetings by 30 June 2014	RMAC has been established	04 agendas/meetings by 30/06/2015	Not Achieved 0 agenda/meetings held by 30/06/2015	Salaries Budget R 111 110	R95 788	Lack of understanding and roles of RMAC
										Request has been forwarded for assistance by Provincial Treasury and Provincial Achieve
										Agendas Attendance Registers Minutes

UPGRADING OF THE STORAGE AREA										
Good Governance	To maintain proper filling through the registry procedure manual of the municipality	Renovate and upgrade the storage area	Secured storage space.	Renovated and upgraded storage area by 31 March 2014	Storage area not yet upgraded or renovated	Storage area not yet upgraded or renovated	Renovated and upgraded storage area by 30 June 2015	Not Achieved Upgrading is complete however renovations area still under construction	R0	R0
									Short age of storage shelves	Submitted a request to the PT for the donation of shelves
										Quotations Invoice & receipts Appointment Letter
EMPLOYMENT EQUITY REPORT										
Institutional Development and Transformation	To submit the Employment Equity Report for 2013/2014.	Compile and submit the Employment Equity Report for 2013/2014	Submitted EER to Department of Labour as scheduled.	Submitted Employment Equity Report for 2012/2013 by October 2013	Employment Equity Report approved and submitted to the Department of Labour on the due date	Employment Equity Report approved and submitted to the Department of Labour on the due date	Submitted Employment Equity Report for 2013/2014 by 15 January 2015	Achieved The Employment Equity Report for 2013/2014 was submitted on 15 January 2015.	Salaries Budget R284 819	R 294 657
									None	N/A
										Compiled & submitted EER for 2013/2014 Confirmation of submission
EMPLOYMENT EQUITY PLAN										
Institutional Development and Transformation	To submit the Employment Equity Plan for 2014/2015	Compile and submit the Employment Equity Plan for 2014/2015 financial year.	Compiled EEP for 2013/2014 financial year	To submit EEP for 2013/2014 financial year to the Department of Labour by October 2013	Employment Equity Plan approved and submitted to the Department of Labour on the due date	Employment Equity Plan approved and submitted to the Department of Labour on the due date	To submit the EEP for 2014/2015 financial year to the Department of Labour by 15 January 2015	Achieved The EEP for 2014/2015 financial year was submitted to the Department of Labour on 15 January 2015.	Salaries Budget R284 819	R 294 657
									None	/A
										EEP 2014/2015 Confirmation of submission

TRAININGS															
Institutional Development and Transformation	To ensure that the training intervention identified in the WSP address the skills challenges.	Compile and submit quarterly training reports.	Number of training reports	Twenty two (22) training programmes to be implemented by 30 June 2014	04 trainings conducted in the 2013/2014 financial year	04 trainings conducted in the 2013/2014 financial year	To conduct four (4) training programmes by 30/04/15	Achieved four (4) training programmes were conducted by 30/04/15	Salaries Budget R 284 819	R 294 657	Other training programmes had to be suspended due to cashflow challenges	Requests has been submitted to Nkomati, LGSETA, Exxaro to assist with other training programmes	Consolidated trainings reports	Attendanc e Registers	
WORKPLACE SKILLS PLAN															
KPA	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reas on for Devi ation	Corrective Action	Portfolio of Evidence		
Institutional Development and Transformation	To develop the workplace skills plan for 2015/2016 financial year.	Compile the WSP for 2015/2016 financial year and report for 2014/2015 financial year.	Complied WSP for 2015/2016 financial year and submitted by April 2015.	WSP for 2014/2015 financial year compiled and submitted to LGSETA by the 30th of June 2014.	2014/2015 Workplace Skills Plan submitted to LGSETA	2014/2015 Workplace Skills Plan submitted to LGSETA	2015/2016 Workplace Skills Plan submitted to LGSETA by April 2015	Achieved The 2015/16 Workplace Skills Plan was submitted to LGSETA on April 2015.	Salaries Budget R 284 819	R 294 657	None	None	2015/2016 WSP	Acknowledgement of receipt by LGSETA	Council resolution

INDUCTIONS PROGRAMMES														
Institutional Development and Transformation	To acquaint new employees with job procedures, co-workers, supervisors' goods of organization and required behaviour patterns.	Induction of all employees on Legislation, Policies and Collective Agreements	Number of employees inducted.	Number of inductions held versus number of posts filled by 30/06/2014	08 inductions conducted in 2013/2014 financial year	08 inductions held for new and existing employees by 30/06/2015	Achieved	Salaries Budget R 516 857	R 520 992	None	None	File of all induction reports	Attendance Registers	
TRAINING COMMITTEE MEETINGS														
Institutional Development and Transformation	To ensure that the training intervention identified in the WSP address the skills challenges of the municipality	To hold meetings that will work for the implementation of training programmes	Number of agendas /meetings	04 Training Committee agenda/meetings to be held by 30/06/2014	3 Training Committee Meetings held in the 2013/2014financial year	3 Training Committee Meetings held in the 2013/2014financial year	04 Training Committee agenda/meetings to be held by 30/06/2015	Achieved	Salaries Budget R 284 819	R 294 657	None	N/A	Agendas	Attendance Registers
OCCUPATIONAL HEALTH AND SAFETY MEETINGS														
Institutional Development and Transformation	To ensure compliance with the occupational health and safety act	Arrange OHS meetings as required by the Act and as per the Calendar of Events.	Number of OHS meetings.	06 meetings to be held by 30/06/2014	04 OHS Meeting held in the 2013/2014 financial year	04 OHS Meeting held in the 2013/2014 financial year	04 meetings to be held by 30/06/2015	Not Achieved	Salaries Budget R 232 037	R 226 335	1 meeting could not sit due to the fact that OHS matters were submitted to the Acting MM	To hold meetings as per the calendar of events	Agendas	Attendance Registers
Minutes														

OCCUPATIONAL HEALTH AND SAFETY SITE INSPECTIONS													
Institutional Development and Transformation	To ensure compliance with the occupational health and safety act	Conduct safety inspections in all workstations at various units	Number of site inspections.	12 site inspections to be held in all the Units by 30/06/2014	site inspections held in 2013/2014 financial year	site inspections held in 2013/2014 financial year	12 site inspections to be held in all the Units by 30/06/2015	Not Achieved 06 site inspections held to be held in all the Units by 30/06/2015	Salaries Budget R 232 037	R 226 335	Lack of availability of Transport	Pool vehicle will be made available for inspections	Reports of site inspections
OCCUPATIONAL HEALTH AND SAFETY PPC & PPE AND FIRST AID KIT													
KPA	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Portfolio of Evidence
Institutional Development and Transformation	To create and maintain a working environment which is free from unnecessary hazards that can lead to injury, illness or death of employees	Distribution of PPE and PPC	Number of PPE & PPC issued to employees	New	PPC & PPE issued in 2013/2014 financial year	PPC & PPE issued in 2013/2014 financial year	Issuing of PPC & PPE by 31 March 2015	Not Achieved PPC & PPE not issued yet as at 30 June 2015	R0	R0	Delayed supply of PPE by the Service Provider	Comments with Procurement in the 1 st quarter of the new financial year	Acknowledgement register and receipt of PPC and PPE by employees
		Procurement of first aid kit boxes and health and safety awareness material.	Number of first aid kit boxes and health and safety material		First Aid kit purchased in 2013/2014 financial year	First Aid kit purchased in 2013/2014 financial year	Purchase of first aid kit boxes and material by 31 March 2015	Not Achieved first aid kit boxes and material by 31 March 2015	R 30 600	R 0			

IMPLEMENTATION OF EMPLOYEE ASSISTANCE PROGRAMME												
Institutional Development and Transformation	To appoint a service provider for wellness of employees	Appoint a suitably qualified service provider to conduct medical check-ups on employees	Appointment of the service provider.	To appoint the service provider by 31/03/2014	Service provider not appointed	Service provider not appointed	To appoint the service provider by 30/06/2015	Not Achieved None	R29 515.67 R0	The budget amount was adjusted and the project had to be suspended	Busy with the engagements with the Dept of Health to assist in this regard	Appointment Letter of the service provider SLA EAP Reports
ORGANIZATIONAL STRUCTURE: MUNICIPAL STAFF												
Institutional Development and Transformation	To have an organizational structure that will allow improvements whenever a need arises.	Filling of vacant budgeted posts	Number of vacant posts filled. Reviewed Organizational Structure	11budgeted posts to be filled by 30/06/2014	30 posts filled in 2013/2014 financial year	30 posts filled in 2013/2014 financial year	52 budgeted posts to be filled by 30/06/2015	Not Achieved 31 posts have been filled	Salaries budget R 566 378 Salaries Budget R 426 684	Filling of other posts suspended	Engage EPWP and CWP to assist in the filling of personnel gaps	Appointment Letters
REVIEWAL OF ORGANIZATIONAL STRUCTURE												
Institutional Development and Transformation	To have an organizational structure that will allow improvements whenever a need arises.	Reviewal of Organizational Structure	Current organizational structure	New	Current organizational structure	Current organizational structure	Reviewed organizational structure by 30 June 2015.	Not Achieved The organizational structure was reviewed by 30 June 2015.	Salaries budget R 566 378 Salaries Budget R 393 310 None	None	None	Reviewed Organizational Structure Council Resolution

CORPORATE SERVICES DEPARTMENT													
ANNUAL PERFORMANCE REPORT 2014/2015													
REVIEWAL OF HUMAN RESOURCES POLICIES													
ABDULLAH													
RESPONSIBLE OFFICIAL: MR. M.I.													
KPA	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Portfolio of Evidence
Institutional development and Transformation	To increase the performance capacity of the municipality, to ensure that employees reflect positive attitudes and behavior towards providing excellent service delivery, to ensure compliance to legislation in terms of disclosure of interest and declaration of financial interest of both officials and councilors, to ensure that the leave register agree with the leave provisions	Review of the organizational structure, development of a skills retention strategy, development of a human resource strategy, review of HR Policies, review of the disclosure of interest and declaration of financial interest register quarterly, full implementation of VIP leave management software and intensive training to be provided to the relevant staff on the VIP leave register.	Number of reviewed and developed policies	New	Existing policies	Existing policies	HR Strategy developed	Not Achieved A Draft HR Strategy has been developed	Salaries Budget R 1 397 143	R 1 040 528	Delays by the Service provider to finalize the review of policies	Policies are reviewed internally	Council Resolution Internal Adverts Policies File
							06 policies reviewed by 30 June 2015	Not Achieved 3 policies were reviewed by 30 June 2015					

CORPORATE SERVICES DEPARTMENT													
ANNUAL PERFORMANCE REPORT 2014/2015													
CONTRACT MANAGEMENT													
RESPONSIBLE OFFICIAL: MR. M.I. ABDULLAH													
KPA	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Portfolio of Evidence
Good Governance	To ensure integration of Contract Management System with finance system.	To integrate the management of contracts for revenue enhancement.	Updated contracts Integrated Contract Management System	04 Contract Management Committee meetings to be held by 30/06/2015	Number of meeting held in 2013/2014	Number of meeting held in 2013/2014	04 Contract Management Committee meetings to be held by 30/06/2015	Not Achieved Two (2) Contract Management Committee meetings were held by 30/06/2015	Salaries Budget R 790 197	R 834 964	The committee had to be re-established due to restructuring of positions and resignations.	The committee has been re-established And meetings will be held as per the calendar of events	Agendas Attendance Registers Minutes
	To ensure that a market related rental is charged to all rented municipal properties.	Review all rental fees of rented properties	Updated Valuation	New	Rental fees charged during the year 2013/2014	Rental fees charged during the year 2013/2014	All rental fees or rented properties reviewed by 30 June 2015	Achieved All rental fees or rented properties were reviewed by 30 June 2015	R 0	R 0	none	none	none

PROMULGATION OF BY-LAWS									
Good Governance	To ensure compliance with laws and regulations of the municipality	Prioritize and promulgate by-laws.	Promulgated by-laws	08 prioritized By-laws to be promulgated by 30/06/2014	14 draft By-Laws adopted by Council	14 draft By-Laws adopted by Council	Public participation on eight (8) By-Laws by 30/06/2015	Not Achieved Public participation was conducted on 3 draft by-laws by 30 June 2015	R0 R0
								Delays in the determination of fees determination of fees	A meeting will be held with the Magistrate court to determine the penalty fees for By-Laws
								List of prioritized	Advert for public comments
									Council resolutions
									Government Gazette
LOCAL LABOUR FORUM									
Institutional development and Transformation	To promote the interests of all workers as well as efficiency in the workplace	Arrange meetings as required by the Organizational Rights Collective Agreement and as per Calendar of Events.	Number of LLF meetings.	12 meetings to be held by 30/06/2014	06 Local Labour Forums held in the 2013/2014 financial year	06 Local Labour Forums held in the 2013/2014 financial year	12 meetings to be held by 30/06/2015	Not Achieved 8 meetings were held by 30/06/2015	Salaries Budget R 235 842 R 241 863
								The meetings scheduled for Nov, Dec 2014 and January 2015 could not sit during the strike and June 2015 meeting was postponed	Meetings were subsequently held with the Acting MM/Management and Organized Labour
									Agendas Attendance Register Minutes

CORPORATE SERVICES DEPARTMENT													
ANNUAL PERFORMANCE REPORT 2014/2015													
REPAIRS AND MAINTENANCE ABDULLAH						RESPONSIBLE OFFICIAL : MR. M.J.							
KPA	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Portfolio of Evidence
Good Governance	To have a reliable network with minimal interruptions	Supply of consumable spares to have in stock.	Number of repairs carried out and recorded	Reliable network with minimal interruptions to the users by 30/06/2014	Recorded repairs for the 2013/2014 financial year	Recorded repairs for the 2013/2014 financial year	Reliable network with minimal interruptions and improved communication with the community and within the municipality by 30 June 2015	Not Achieved	R 120 000	R0	Shortage of spares due to cashflow challenges	Submitted a request to Provincial Treasury to assist in this regard	Consumable spares in stock Monthly Reports

UPGRADING OF EQUIPMENT												
Good Governance	To have a reliable network with minimal interruptions	Increase the data flow of the network by upgrading the network with Telkom, to meet the increase demands on our communication (VoIP & data) Replacement of hardware, software and "end of life" equipment Increase of data base by encouraging the community to submit their cell numbers to be kept informed of municipal activities. Purchase of standby generators and encourage Telkom to increase security to avoid cable theft. Training of ICT Staff	Number of IT equipment replaced	Identify and replace "end of life" equipment quarterly	<u>First Quarter</u> 10 new motherboards, RAM, and Processor were purchased <u>Second Quarter</u> 3 x laptops, 1 x server and 1 x computer purchased <u>Third Quarter</u> Due to budget adjustment no updates were carried <u>Fourth Quarter</u> None	Life span of current equipment	Increased ICT performance capacity of the municipality by 30 June 2015.	Achieved ICT performance capacity was increased from 2MB to 15MB by 30 June 2015.	R 50 000.00 R0	Not applicable	Not applicable	New equipment in place Asset Register Delivery Receipts

CORPORATE SERVICES DEPARTMENT													
ANNUAL PERFORMANCE REPORT 2014/2015													
SECURITY DATA MR. M.I. ABDULLAH						RESPONSIBLE OFFICIAL:							
KPA	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Portfolio of Evidence
Good Governance	To ensure the safe keeping and integrity of data	ELM will establish an IT committee, develop and implement a business continuity plan and also develop an IT Risk Register. Review of users to ensure authorized users Final adoption and full implementation of the Disaster Recovery Plan	Safe Data	New	Not applicable	Not applicable	Identify and replace "end of life" equipment quarterly	Not Achieved Assets needing replacement were indentified however no replacements made	R 50 000	R0	Cash constraints	Request has been submitted to Provincial Treasury to assist in this regard	Monthly generated reports

TECHNICAL SERVICES DEPARTMENT													
ANNUAL PERFORMANCE REPORT													
2014/15 FINANCIAL YEAR													
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	RESPONSIBLE OFFICIAL: MR. L.O. SINDANE		
											Reason for Deviation	Corrective Action	Evidence
Water and sanitation	To provide adequate and appropriate water and sewer services to all communities in Enakhazeni.	Maintain the waste water reticulation structure and bulk infrastructure continuously	Functional system	To reduce the blockage incidences to lower than 360 per year due to new area incorporated (i.e. Sakhelwe Ext. 2)	580 blockage incidences were resolved	All sewer blockages which we experienced in the last financial year exceeded the 580 blockage incidences. Replacement of faulty network equipments.	To reduce the blockage incidences to lower than 360 per year due to new area incorporated (i.e. Sakhelwe Ext. 2) by 30 June 2015	Not Achieved Blockage incidents were at 577 by 30 June 2015	Salaries Budget R 1 526 512	Salaries Budget R 1 526 512	Lack of sewer network maintenance equipment due to lack of Cash flow challenges	2015/16 budget provision has been set aside for procurement of the equipment	Monthly Reports
Water and Sanitation (1)	To comply with blue and green drop requirements	To maintain the WWTW % WTW and Optimize the operations	Works meeting the blue and green drop requirements	To reach blue and green drop certification in at least two of the systems	Blue 79.38% and green drop 58%	Blue 79.38% and green drop 58% (2011/12)	To reach blue and green drop certification in at least two of the systems by 30 June 2015	Not Achieved Blue and Green drop Assessment was not conducted by the 30 June 2015	Salaries Budget R 4 877 109	Salaries Budget R 4 461 233	No assessment done by the department	Use internal controls including private laboratory for water quality assessment	Monitoring Reports

TECHNICAL SERVICES DEPARTMENT

ANNUAL PERFORMANCE REPORT

2014/15 FINANCIAL YEAR

RESPONSIBLE OFFICIAL: MR. L.O. SINDANE

Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Evidence
Water and Sanitation (1)	To provide adequate and appropriate water and sewer services to all communities in Enakhazeni	To purify and supply potable water to the community with minimal interruption and restore services within 24 hours New water connections	Clean potable Water provided Houses properly metered	100% of (13722) to receive water in direct supply 342 new connection to be done by 30 June 2014	80% of (13036) households and businesses are as well as 719 farm community receiving water in direct supply	80% of (13036) households and businesses are as well as 719 farm community receiving water in direct supply. Except for Entabeni, Sgwabula, Enkanini and Shushumela who are getting water at communal taps.	100% of (13721) to receive water in direct supply 300 new connection to be done by 30 June 2015	Achieved 100% water supply of (13 721), 685 new connections were done by 30 June 2015	R 1 483 192	R 1 454 132	None	None	Consumer account
Electricity supply (2)	To provide adequate and reliable electricity services to all communities in Enakhazeni except Dullstroom.	maintain the electricity network continuously to ensure minimal interruption and restore services within 24 hours Electrification of new houses	Substations , Transformers , medium voltage and low voltage network upgraded and functional	100% of (11507) households and businesses to be supplied with electricity New houses electrified	98% of 11507 households and business were supplied with electricity	98% of 11507 households and business were supplied with electricity 342 houses to be electrified on completion of top structures and 42 stands in Madala.	100% of (11507) households and businesses to be supplied with electricity 216 family units to be electrified by 30 June 2015	Achieved 100% of (11507) households and businesses supplied with electricity Achieved 216 family units were electrified, 114 by 30 June 2015	R 1 981 982	R 2 033 746	None	None	Electricians reports

Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Evidence
Roads and storm water (3)	To provide new roads and improve the condition of the existing roads for users in all the towns, townships and farms areas	Patching of potholes clean storm water system Gravelling and grading of roads Speed humps	Square meters patched Meters of storm water cleaned Km gravelled and graded Number of speed humps constructed	10 000 m2 420 storm water systems to be cleaned 32 km roads gravelled and graded 16 speed humps to be constructed	4840m²patched 189 cleaned 26390m gravelled 13 speedhumps constructed	10 712m² of potholes repaired 379 storm water system cleaned 17 060 meter of roads gravelled More than 24 speed humps were constructed	10 000 m2 420 storm water systems to be cleaned 32 km roads gravelled and graded 12 speed humps constructed	Not Achieved 8 473 m² potholes patched 151 storm water drainages cleaned, 3,425 km roads graveled 6 speed humps	R 7 825 215	R 5 210 821	Cash flow challenges for the procurement of tar and tools, as well as repair of equipments	Engaged Provincial Dept of Roads and Transport for support; Improve implementation of the Revenue enhancement strategy	Monthly reports
Water and sanitation	To provide adequate and appropriate water and sewer services to all communities in Enakhazeni	Engage NDM to make funding available for the upgrading of WTW in Dullstroom	WTW upgraded	New project	None	The treatment works is currently performing below the DWA and SANS standards	To have the water treatment works upgraded by 30 June 2015	Achieved The water treatment works was upgraded by 30 June 2015	R 3 386 000	R3 343 761.39	None	None	Monthly reports Close out report Upgraded WTW
Water and sanitation	To provide adequate and appropriate water and sewer services to all communities in Enakhazeni	Engage WB NOKA to make funding available for the upgrading of WTW in Emgwenya	WTW upgraded	New project	None	The treatment works is currently performing below the DWA and SANS standards	To have the water treatment works upgraded by 30 June 2015	Not Achieved Project abandoned	R 6 000 000	R0	Lack of funding challenges by the PPP partner WB NOKA	Engage National and Provincial Treasury on the funding model on the PPP	Monthly reports Close out report Upgraded WTW

TECHNICAL SERVICES DEPARTMENT													
ANNUAL PERFORMANCE REPORT													
2014/15 FINANCIAL YEAR													
RESPONSIBLE OFFICIAL: MR. L.O. SINDANE													
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Evidence
Water and sanitation	To reduce sanitation provision backlog and provide services to newly established township	Engage MIG to make funding available for the provision of waterborne sanitation for 800 stands in Emothnjeni 4 and Enkanini	Waterborne sanitation for 800 stands	New project	None	The targeted communities are currently without RDP level sanitation	To have the 800 stands in Emothnjenixt 4 and Enkanini provided with waterborne sanitation by 30 June 2015	Not Achieved Phase 1 which comprise with the 50 stands have been completed	R 987, 482. 39	R 987, 482. 39	Insufficient budget to cover the entire scope	The project is done in phases	Monthly reports Close out report Provision of waterborne sanitation
Water and sanitation	To reduce sanitation provision backlog and provide services to newly established township	Engage MIG to make funding available for the provision of waterborne sanitation for 500 stands in Emakhazeni Madala Section	Waterborne sanitation for 500 stands	2014/2015 project	New project	The targeted communities are currently without RDP level sanitation	To have the 500 stands in Emakhazeni Madala section provided with waterborne sanitation by 30 June 2015	Not Achieved Phase 1 which comprise with the 150 stands have been completed	R 2 270 000	R 267 680.03	Insufficient budget to cover the entire scope	The project is done in phases	Monthly reports Close out report Provision of waterborne sanitation
Water and sanitation	To reduce sanitation provision backlog and provide services to newly established township	Engage MIG to make funding available for the servicing of 100 stands in Emothnjenixt 4 and Enkanini	100 households to be serviced with phase 2	2014/2015 project	New Project	The targeted communities are currently without RDP level sanitation	To have the 100 stands in Emothnjenixt 4 and Enkanini serviced by 30 June 2015	Achieved The 114 stands in Emothnjeni ext 4 and Enkanini were serviced by 30 June 2015	R 1 280 000	R 1 280 000	None	None	Monthly reports Close out report Provision of services
Water and Sanitation	To provide adequate and appropriate water and sewer services to all communities in Emakhazeni	Use MIG funding to supply clean portable water to rural areas	6 farms to be serviced with boreholes equipped with windmills, jojo tanks and stand pipes	6 windmills completed by 30 June 2014	6 windmills completed	8 windmills installed in 2012/2013 financial year	6 windmills completed by 30 June 2015	Achieved 6 windmills were completed by 30 June 2015	R3 000 000	R2 984 946.58	None	None	Close out report Appointment letter
Water and Sanitation	To provide adequate and appropriate water and sewer services to all communities in Emakhazeni	Use MIG funding to replace the corroded elevated tank in Belfast	Corroded elevated tank replaced	Refurbishment of tank completed by 30 May 2014	Refurbishment of tank completed	The 24 hour storage principle has been affected due to non-functionality of the tank	Replacement of tank completed by 30 June 2015	Not Achieved Project was not implemented	R 616 024.62	R 0	Project was abandoned due to insufficient funds	The project will be implemented on the 2016/17 financial year	Close out report Appointment letter

TECHNICAL SERVICES DEPARTMENT													
ANNUAL PERFORMANCE REPORT													
2014/15 FINANCIAL YEAR													
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Evidence
Roads and storm water (3)	To provide new roads and improve the condition of the existing roads for users in all the towns, townships and farm areas	Use NDM funding and constantly negotiate with social partners to have budget allocation for roads upgrading on an annual basis	Length of meters of the road rehabilitated	To rehabilitate further 850m of Bhukumuzi Drive by 30 June 2014	850m of Bhukumuzi Drive was completed	1400m of BhukumuziMasango road was upgraded in 2011/2012 and 2012/2013 financial year respectively	To rehabilitate 850m of Bhukumuzi Masango drive by 30 June 2015	Not Achieved Only 170m of road of Bhukumuzi Masango drive was rehabilitated by 30 June 2015	R 2 136 554.98	R1 796 743.74	Insufficient budget to cover the entire scope	The project is done in phases	Monthly reports Appointment Letter Completion Certificate Design report
Roads and storm water (3)	To provide new roads and improve the condition of the existing roads for users in all the towns, townships and farm areas	Use MIG funding and constantly negotiate with social partners to have budget allocation for roads upgrading on an annual basis	Length of meters of the road rehabilitated	To pave 440m of road in Sakhelwe by 30 June 2014	440m of road was completed	The municipality plans to upgrade roads in Sakhelwe to block paving	To pave 550M road in Sakhelwe by 30 June 2015	Achieved 550M of road in Sakhelwe paved by 30 June 2015	R 2 000 000.00	R 1 990 764.58	None	None	Monthly reports Appointment Letter Completion Certificate Design report
Roads and storm water (3)	To provide new roads and improve the condition of the existing roads for users in all the towns, townships and farm areas	Use MIG funding and constantly negotiate with social partners to have budget allocation for roads upgrading on an annual basis	Length of meters of the road rehabilitated	2014/2015 project	New project	The municipality plans to upgrade roads in Engwenya to block paving	To pave 550M road in Engwenya by 30 June 2015	Not Achieved 100m road in Engwenya paved by 30 June 2015	R 2 616 024.62	R 2 616 024.62	Insufficient budget to cover the entire scope	The project is done in phases	Monthly reports Appointment Letter Completion Certificate Design report
Roads and storm water (3)	To provide new roads and improve the condition of the existing roads for users in all the towns, townships and farm areas	Use NDM funding and constantly negotiate with social partners to have budget allocation for roads upgrading on an annual basis	Length of meters of the road rehabilitated	To pave 410m of roads in Siyathuthuka by 30 June 2014	410m of roads in Siyathuthuka was completed	410m of roads in Siyathuthuka	To rehabilitate further 275m of roads by 30 June 2015	Achieved 275m of roads were rehabilitated by 30 June 2015	R 1 000 000.00	R 998 957.84	Insufficient budget to cover the entire scope	The project is done in phases	Monthly reports Appointment Letter Completion Certificate Design report

PLANNING AND DEVELOPMENT ANNUAL PERFORMANCE REPORT 2014/15 FINANCIAL YEAR													
RESPONSIBLE OFFICIAL: MR. L.D. MKHONZA													
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Evidence
Service delivery and Infrastructure Development	Conduct inspections on built structures	Conduct inspection in all built environment within ELM in terms of NHBRC and NBR standards	Number of inspections done	To do 720 inspections by 30 June 2014	750 inspections were done	750 inspections were done	To do 900 inspections by 30 June 2015	Achieved 1226 inspections done by 30 June 2015	Salaries Budget	Salaries budget	None	None	Inspection sheets
Service delivery and Infrastructure Development	Assessment of Building Plans	To meet the quality housing needs of residents in the municipal area of jurisdiction and minimize the spread of informal settlements.	Number of building plans assessed	70 building plans	56 building plans assessed in 2013/2014	56 building plans assessed in 2013/2014	70 building plans assessed by 30 June 2015	Achieved 96 building plans were assessed by 30 June 2015	Salaries Budget	Salaries budget	None	None	Approval letter Proof of payment Submission registers.
Service delivery and Infrastructure Development	facilitate and monitor the completion of 214 RDP houses in Emakhazeni local municipality	Human settlement and property development (6)	Beneficiary list Number of houses completed	100 RDP houses to be built	253 houses built	253 houses built	214 houses built by June 2015	Not Achieved Beneficiary list finalized, 20 houses completed by 30 June 2015.	Human settlement budget	Human settlements budget	Late appointment of contractor by the Department. Illegal invasion of 104 RDP houses in Siyathuthuka which led to the contractor to be removed from site.	Motivated for the early procurement of contractors by the department of human Settlements. the Attorneys appointed for the eviction of the illegal occupants	Completion certificates Happy letters

PLANNING AND DEVELOPMENT ANNUAL PERFORMANCE REPORT 2014/15 FINANCIAL YEAR													
RESPONSIBLE OFFICIAL: MR. L.D. MKHONZA													
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Evidence
Service delivery and Infrastructure Development	Facilitate and monitor the construction of 21 low cost houses by NBC Exxaro	Human settlement and property development (6)	Number of houses completed	21 houses to be completed by 30 June 2014	20 houses constructed (Top structures) but no services connected	20 houses constructed but no services connected	21 houses constructed	Not Achieved 20 houses constructed by 30 June 2015	Exxaro funded	Exxaro funded	Change of scope and the budget for the 1 house was reprioritize for the installation of services of services was not budgeted for. Slow progress as some areas need to be blasted.	Ensure that construction of houses in the area which has engineering services Proper planning Budget was made available by Exxaro for the installation of engineering services. Close monitoring being done on the installation of the services	Completion certificates Happy letters
Spatial restructuring (4)	To provide sites for various community needs	Facilitate the formalization of Enkanini in Emthonjeni by NDM	Formalized township	To ensure a township register is opened and the people are resettled proper	EIA and geotechnical studies done	Formalized township	Township formalized by 30 June 2015	Achieved Formalisation of township completed by 30 June 2015	R 2 838 813.39 (NDM) R987 482.39 (MIG) water. R1 280 000.00 (Sanitation)	R 2 838 813.39 (NDM)	-	-	General Plan

PLANNING AND DEVELOPMENT ANNUAL PERFORMANCE REPORT 2014/15 FINANCIAL YEAR													
RESPONSIBLE OFFICIAL: MR. L.D. MKHONZA													
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Evidence
Spatial restructuring	To provide sites for various community needs	Facilitate the Greenfield development: 300 Gugulethu housing	Formalized township	To have the township establishment finalized by 30 June 2014	EIA and geotechnical studies done	Pegging done. Draft lay-out plan developed	Formalized Gugulethu township by 30 June 2015	Not Achieved As at 30 June 2015, an application submitted to Surveyor General	NDM budget	NDM budget	Misalignment on the Condition of establishments and general plan.	The Conditions of establishment and the general plan has since been aligned and submitted to the surveyor general	General Plan
Spatial restructuring (4)	To provide sites for various community needs	Facilitate the subdivision of various parcels of land	Number of land parcels subdivided	No quantifiable target was set.	7 parcels subdivided	7 parcels subdivided	11 land parcels subdivided	Not Achieved 5 land parcels subdivided by 30 June 2015	NDM budget R300 000	NDM budget R145 000.00	Delay in commencing with the project due to late advertisement for consultants	Speed-up the appointment of consultants so as to start early with the project	Approval letters Sub-divisional diagrams
Spatial restructuring (4)	Facilitate the Greenfield project (Wonderfontein agri village 50 sites)	To provide sites for various community needs	Formalized township	Established Agrivillage by 30 March 2014	EIA and geotechnical studies done	New project	Formalized township by 30 June 2015	Achieved Township formalization completed by 30 June 2015	NDM budget R500 000	NDM budget R390 000	None	None	Lay-out maps
Service delivery and Infrastructure Development	Facilitate the fast tracking of land claims in rural areas	Provide necessary support to the Department of Rural Development and Land Reform to finalise land claims	Settled communities	To have 5 (restitution and 6 labour tenants land claims) finalized by 30 June 2014	Conclude 4 Land claims	Conclude 4 Land claims	Madala land claimants who opted for money were compensated.	Not Achieved No restitution and labour tenants claims were finalized by 30 June 2015	Salaries Budget R 1375 663	Salaries Budget R 1 234 138	Delay due to lack of working capital or funding to finalise the claims on the part of the Department	Set proper targets as performance on this objective is dependent on the Department finalizing the claims.	Title deeds

PLANNING AND DEVELOPMENT ANNUAL PERFORMANCE REPORT 2014/15 FINANCIAL YEAR													
RESPONSIBLE OFFICIAL: MR. L.D. MKHONZA													
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Evidence
Service delivery and Infrastructure Development	To appoint 69 EPWP employees and monitor the implementation of EPWP waste programmes	Facilitate EPWP waste programme	Number of EPWP participants appointed	69 Job opportunities	72 EPWP participant appointed	72 EPWP participant appointed	To appoint 69 EPWP participants 30 June 2015	Not Achieved 62 EPWP participants appointed by 30 June 2015	R1'250'000		The conditions of DPWR&T inhibited the municipality for appointing fire interns	An application has since been made for inclusion of Fire Services in the EPWP allocation and has been approved.	Appointment letters Contracts of employment
ervice delivery and Infrastructure Development	Facilitate EPWP training programme	To ensure skills transfer to EPWP waste programme beneficiaries	Number of EPWP participant trained	New project	New intervention project	New intervention	To train 69 participants by 30 June 2015	Not Achieved No training was given as at 30 June 2015	R00	R00	DPWR&T did not appoint service providers to train the EPWP participants	Offer on the job training. Request confirmation first before setting targets	Training schedule Course content
Local Economic Development	To implement contractor Development Programme	To Ensure implementation of contractor development programme through MIG, Social partners, Sector departments and NDM	Contractor development	20 Contractors to be developed	27 subcontractors benefitted through the project	New indicator	25 subcontractors by 30 June 2015	Achieved 45 subcontractors benefitted by 30 June 2015	Salaries budget R 768 554	Salaries budget R 785 516	None	None	Appointment letters/ contracts or Confirmation letters

PLANNING AND DEVELOPMENT ANNUAL PERFORMANCE REPORT 2014/15 FINANCIAL YEAR													
RESPONSIBLE OFFICIAL: MR. L.D. MKHONZA													
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Evidence
Local Economic Development	To develop the LED strategy	To ensure economic growth in all sectors of the economy in order to curb unemployment and related negative issues by integrating the priorities of the National Development Plan, Mpumalanga Growth and Development Path with the LED strategy of the Municipality	LED strategy	Development of the strategy	Situational analysis developed	Reviewed LED strategy	Development of the LED strategy	Not Achieved Situational analysis and economic intervention report developed	R50,000.00	R8,550.00	Insufficient budget allocated for the project which resulted in the 2 component done on the LED strategy	Funding secured from NDM for the development of the strategy for 2015/16 financial year	Situational analysis Confirmation of a budget to develop the strategy
Local Economic Development	Creation of jobs through infrastructure development	To ensure that the local people benefits through infrastructure projects implemented through MIG, NDM, Sector departments & Social partners	Creation of job opportunities	551 jobs to be created	631 jobs created	408 jobs	600 jobs to be created	Not Achieved 424 jobs created by 30 June 2015	Salaries Budget R 768 554	Salaries Budget R 785 516	Emgwenya roads project scope had to be reduced due to the intervention by WB Noka	Continue to engage WB Noka on the PPP agreement.	PMU & CLO reports

PLANNING AND DEVELOPMENT ANNUAL PERFORMANCE REPORT 2014/15 FINANCIAL YEAR													
RESPONSIBLE OFFICIAL: MR. L.D. MKHONZA													
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Evidence
Local Economic Development	To ensure that SMME & Cooperatives access various available grants	To organize awareness workshop for SMME & Cooperatives on the availability of incentive grants and/ or financial assistance available for them	Awareness campaigns	New indicator	New indicator	None	2 awareness campaigns/ workshop	Achieved 5 awareness campaigns/ workshops conducted by 30 June 2015	Salaries Budget R 768 554	Salaries Budget R 785 516	None	None	Attendance registers
Local Economic Development	To ensure functionality of the community development forums	To create a calendar of events for meetings	Active participation in the economy	None	10 meetings	None	24 meetings	Not Achieved 12 meetings were held by 30 June 2015	Salaries Budget R 768 554	Salaries Budget R 785 516	The Community Development Forums were not sitting due to lack of clarity on roles and responsibilities	Implementation of LDCM which will integrate Local Economic which will clarify roles and responsibilities	Attendance registers

PLANNING AND DEVELOPMENT ANNUAL PERFORMANCE REPORT 2014/15 FINANCIAL YEAR													
RESPONSIBLE OFFICIAL: MR. L.D. MKHONZA													
Priority/Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Evidence
Local Economic Development	Involve big business to actively take part in the development in the area	Revival of Emakhazeni LED Forum	Active participation in the economic development	4 LED Forums	None	None	4 LED Forum meetings	Not Achieved 1 LED Forum meeting held by 30 June 2015	Salaries R 1091 118	Salaries R 1 105 883	The LED Forum meetings were not held due to a dispute on the chairpersonship of the forum.	Implementation of the action plan has been developed by COGTA	Attendance registers Agendas
	To encourage creation of employment through sustainable projects managed by cooperatives	Engage social partners and NDM to create beneficiation opportunities for local cooperatives and SMME's development	Number of projects created	4 projects to be developed	2 Projects	Projects implemented created 246 job	4 poverty alleviation projects to be implemented Poultry project brick-making plant Greenhouse tunnel Piggery project	Not Achieved 1 poverty alleviation project implemented EIA and Land surveying completed for poultry project Achieved EIA and Geo-tech studies completed for brick making plant Achieved The Greenhouse tunnel (vegetable support) completed Not Achieved None	NDM budget R1000.000.00 R250.000.00 R1500.000.00 R0	NDM budget R69.615.00 R194.594.68 R1.421.212.28 R0	The Poultry project developed in two phases The Brick making plant are developed in two phases None The piggery project was withdrawn as the DMR did not approve the SLP by the funder (Nkomati mine)	Target to be linked to the available budget Target to be linked to the available budget Al alternative funder to be sourced for the piggery project Completion certificate for Green house tunnel Completion certificate for piggery project	EIA & Land surveying for Poultry project EIA & Geo-tech studies for Brick making plant Completion certificate for Green house tunnel Completion certificate for piggery project

PLANNING AND DEVELOPMENT ANNUAL PERFORMANCE REPORT 2014/15 FINANCIAL YEAR													
RESPONSIBLE OFFICIAL: MR. L.D. MKHONZA													
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Evidence
Tourism and Investment	To ensure that ELM becomes the central area that holds huge tourism opportunity	To introduce new tourism products in order to attract both international and domestic tourists in our area	New tourism products	Revived Tourist attractions, Tourism inventory classification by 30 June 2014 & products by 30 June 2014	0 projects introduced	0 project introduced	Development of 2 tourism projects (Geluk farm project and Phola park fly fishing)	Achieved 2 tourism projects (Geluk farm project and Phola park fly fishing) completed by 30 June 2015	NDM funded R2100.000.00 R533.600.00	NDM funded R2.647.462.54 R432.491.20	None None	None None	Completion certificates for Phola park and Geluk
Tourism and Investment	To ensure that Enakhazeni Local Municipality becomes one of the preferred tourist area in the province, especially seen in the light of its undisturbed natural environment	Ensure our tourism products receive exposure at the Nkangala Tourism Indaba and Tourism Indaba (SA)	Increased exposure of tourism products in the area	New indicator	New Indicator	None	2 SMME's to receive exposure at the NDM indaba and SA Tourism Indaba	Achieved 4 SMME's received exposure at the NDM indaba and SA Tourism Indaba by 30 June 2015	NDM budget	N/A	None	None	Attendance registers Pictures

2014/15 FINANCIAL YEAR

Priority Issue

<p> IDP Review process </p>	<p> To comply with the integrated Development Planning as prescribed by the legislation </p>	<p> To review the implementation of 2011-2016 IDP </p>	<p> Reviewed IDP </p>	<p> Reviewed IDP </p>	<p> Reviewed IDP by March 2014 </p>	<p> Reviewed IDP 30 June 2015 </p>	<p> Achieved IDP reviewed on 26 March 2015 </p>	<p> Salaries R 1 922 250 </p>	<p> R 1 797 233 </p>	<p> None </p>	<p> None </p>	<p> Draft IDP Final IDP Attendance registers for consultative meetings Attendance register for meetings with councillors and managers </p>
---	--	--	---	---	---	--	---	---	--	---	---	--

OFFICE OF THE MUNICIPAL MANAGER ANNUAL PERFORMANCE REPORT 2014/15 FINANCIAL YEAR											
INTERNAL AUDIT UNIT						RESPONSIBLE OFFICIAL: MRS D.E. INTSHWANE					
1. DEVELOPMENT OF INTERNAL AUDIT PLAN											
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Evidence
Good governance	To promote good governance	Develop a risk based three year strategic rolling plan and annual plan	Approved internal audit plan	Internal audit plan for 2013/14 to be approved by July 2013	The original plan was developed and noted by Council on the 25 th of July 2013 A revised risk based audit plan has been developed and approved by the audit committee on the 14 th November 2013	Internal audit plan for 2013/14 financial year was developed and approved	Internal audit plan for 2014/15 to be approved by July 2014	Achieved Internal Audit plan was approved by 31 July 2014	Salaries budget R 298 356	Salaries budget R 434 602	Delays in the submission of Internal Audit plan to the Audit Committee and it was referred back for corrections To submit the internal audit plan in July for approval by the Audit Committee Approved Internal Audit Plan Resolution
2. IMPLEMENTAON OF THE AUDIT PLAN											
Good governance	To add value to the operations of the municipality in relation to internal control, risk management and governance processes	Implementation of the approved internal audit plan	Internal audit reports	22 audits to be conducted	15 audits were conducted	15 audits were conducted for 2013/14 financial year	20 audits to be conducted by June 2015	Achieved 20 audits were conducted by June 2015	Salaries budget R 298 356	Salaries budget R 434 602	- Internal audit reports

OFFICE OF THE MUNICIPAL MANAGER ANNUAL PERFORMANCE REPORT 2014/15 FINANCIAL YEAR													
INTERNAL AUDIT UNIT													
3. SUBMISSION OF REPORTS TO AUDIT COMMITTEE													
RESPONSIBLE OFFICIAL: MRS. D.E. NTSHWANE													
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Evidence
Good governance	To promote good governance	To submit reports for consideration once per quarter to the audit committee	Reports submitted to the Audit Committee	6 sets of reports to be submitted to the Audit Committee	5 sets of reports were submitted to the audit committee	5 sets of reports were submitted to the audit committee	5 sets of reports to be submitted to the audit committee by June 2015	Achieved 5 sets of reports were submitted to the Audit Committee by June 2015	Salaries budget R 298 356	Salaries budget R 434 602	-	-	Audit committee agenda Minutes
4. SUBMISSION OF AUDIT REPORTS TO COUNCIL													
Good governance	To promote good governance	To ensure that the Audit Committee reports are submitted to Council and advises the Accounting Officer and the Political Office bearers as per Section 166 of the Municipal Finance Management Act	Number of reports submitted to Council	4 audit committee reports to be submitted to Council by June 2014	2 audit committee reports were submitted to Council by June 2014	2 audit committee reports were submitted to Council by June 2014	2 audit committee reports to be submitted to Council by June 2015	Achieved 2 audit committee reports were submitted to Council by June 2015	Salaries budget R 298 356	Salaries budget R 434 602	-	-	Audit committee reports Council resolution

OFFICE OF THE MUNICIPAL MANAGER													
ANNUAL PERFORMANCE REPORT													
2014/15 FINANCIAL YEAR													
INTERNAL AUDIT UNIT													
5. CLEAN AUDIT COMMITTEE					RESPONSIBLE OFFICIAL: MRS. D.E. NTSHWANE								
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Evidence
Good governance	To promote good governance	To arrange clean audit committee meetings	Number of meetings held	To arrange 7 clean audit committee meetings	5 clean audit committee meetings were held by June 2014	5 clean audit committee meetings were held by June 2014	To arrange 8 meetings by 30 June 2015	Not Achieved 3 meetings were arranged by June 2015	Salaries budget R 298 356	Salaries budget R 434 602	There was no progress registered on the Audit Action Plan hence postponement of meetings	Performance agreements of managers have included amongst others the reduction of audit issues so as to ensure ownership and accountability	Agenda Attendance register

TRANSVERSAL UNIT											
ANNUAL PERFORMANCE REPORT											
2014/15 FINANCIAL YEAR											
RESPONSIBLE OFFICIAL: MR. Z. NTIMANE											
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Evidence
Service delivery and infrastructure development	To ensure HIV/AIDS awareness throughout all sectors especially high risk of population such as the youth, farm workers, people with disabilities, teenagers, women etc.	Address behavioural and Socio economic drivers of HIV, STI and TB and strengthen child and adolescent responses to HIV and TB.	Local AIDS Council	1 x local AIDS council established	Establishment of 4 x ward based sub aids councils in the 4 units and held a workshop in partnership with GIZ on the 30 th of August 2013.	Sub AIDS Council committees	1 x local AIDS council established	Achieved 1 x local AIDS council established by 30 June 2015	Salaries Budget R 542 952	Salaries Budget R 594 529	Attendance register
Service delivery and infrastructure development	To ensure HIV/AIDS awareness throughout all sectors especially high risk of population such as the youth, farm workers, people with disabilities, teenagers, women etc	Address behavioural and Socio economic drivers of HIV, STI and TB and strengthen child and adolescent responses to HIV and TB.	Local AIDS Council meetings held	To hold 4 x local AIDS Council meetings	No sitting	None	To hold 4 x local AIDS Council meetings	Not Achieved 3 Local Aids Council meetings held in June 2015	Salaries Budget R 542 952	Salaries Budget R 594 529	To hold 4 x LAC meetings/ 1 per quarter on the financial year 2015-2016 as scheduled Attendance register

TRANSVERSAL UNIT													
ANNUAL PERFORMANCE REPORT													
2014/15 FINANCIAL YEAR													
RESPONSIBLE OFFICIAL: MR. Z. NTIMANE													
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Evidence
Service delivery and infrastructure development	To ensure HIV/AIDS awareness throughout all sectors especially high risk of population such as the youth, farm workers, people with disabilities, teenagers, women etc.	Address behavioural and Socio economic drivers of HIV, STI and TB and strengthen child and adolescent responses to HIV and TB.	Number of programmes developed	To hold 4 x HIV/AIDS awareness/programmes by 30 June 2013-2014	HIV/AIDS dialogue at Sakhelwe on the 25 th of October 2013. Induction workshops 21/11/2013 Wellness meeting with educators of Sikhulile sec for an outreach HIV/AIDS program 21 st sports and culture HIV/AIDS awareness campaign. Peer educators training workshop in partnership with Nkomati mine from the 02 nd until the 13 th of June 2013	Nkangala outreach, community dialogue, condom distributions and prayer against HIV/AIDS	To hold 4 x HIV/AIDS awareness/programmes by 30 June 2014/2015	Achieved 5 HIV/AIDS awareness/programmes held by 30 June 2014/2015	Salaries Budget R 542 952	Salaries Budget R 594 529	None	None	None

TRANSVERSAL UNIT													
ANNUAL PERFORMANCE REPORT													
2014/15 FINANCIAL YEAR													
RESPONSIBLE OFFICIAL: MR. Z. NTIMANE													
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Evidence
Service delivery and infrastructure development	To ensure HIV/AIDS awareness throughout all sectors especially high risk of population such as the youth, farm workers, people with disabilities, teenagers, women etc.	Address behavioural and Socio economic drivers of HIV, STI and TB and strengthen child and adolescent responses to HIV and TB.	Number of programmes developed	To hold 4 x HIV/AIDS awareness/programmes by 30 June 2013-2014	HIV/AIDS dialogue at Sakhelwe on the 25 th of October 2013. Induction workshops 21/11/2013 Wellness meeting with educators of Sikhulile sec for an outreach HIV/AIDS program 21 st sports and culture HIV/AIDS awareness campaign. Peer educators training workshop in partnership with Nkomati mine from the 02 nd until the 13 th of June 2013	Nkangala outreach, community dialogue, condom distributions and prayer against HIV/AIDS	To hold 4 x HIV/AIDS awareness/programmes by 30 June 2014/2015	Achieved 5 HIV/AIDS awareness/programmes held by 30 June 2014/2015	Salaries Budget R 542 952	Salaries Budget R 594 529	None	None	None

TRANSVERSAL UNIT													
ANNUAL PERFORMANCE REPORT													
2014/15 FINANCIAL YEAR													
RESPONSIBLE OFFICIAL: MR. Z. NTIMANE													
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Evidence
Service delivery and infrastructure development	To ensure that Moral Regeneration Movement plays its vital role in restoring values to the community	By developing a programme to address the issue of Moral decay, women and children abuse, teenage pregnancy and substance and drug abuse.	Moral fibre of our community's improved and healthy life style by our community.	To hold the moral regeneration event by 30 June 2014.	Moral Regeneration Event(MRE) held on the 28 th of Dec 2013 at Sakhelwe	Moral regeneration event was held in the last financial year	To hold 1 x annual event by 2014/2015 financial year	Not Achieved No annual event held in 2014/15	Salaries Budget R 542 952	Salaries Budget R 594 529	The Event was not held due to employees strike action and threats made to disrupt the event.	To convene the annual Moral Regeneration event as it is planned to be held in December 2015	Attendance register, photos.
Service delivery and infrastructure development	Development and promotion of cohesive and effective network of structures, organisations and groups to promote gender equality and empowerment of women	Exploring opportunities for economic and social upliftment created for women.	Reduction of poverty in families	100 women empowerment by 30 June 2014	Hold a women seminar on the 21 st of August 2013 and 100 women attended	131 women were employed in the last financial year	40 women empowered by 30 June 2015	Achieved 243 women empowered by 30 June 2015 through EPWP and CWP programme	Salaries Budget R 542 952	Salaries Budget R 594 529	None	None	Report from EPWP, CWP
Service delivery and infrastructure development	To strengthen mechanisms for monitoring gender based violence (women abuse)	Empowerment of men and women to address inequities and gender based violence	Number of effective men's forum established in all the units.	4 x man for change established forum	Established a task team responsible for men issues on the 14 th of August 2013.	It was a new project	4 established men's forum for change forum by June 2015	Not Achieved The forum in place	Salaries Budget R 542 952	Salaries Budget R 594 529	It's still a challenge to deal with issues for men for change as there is no organised group championing their issues	To assist in the establishment of the Men's Forum working in collaboration with the District Men's forum	None

TRANSVERSAL UNIT													
ANNUAL PERFORMANCE REPORT													
2014/15 FINANCIAL YEAR													
RESPONSIBLE OFFICIAL: MR. Z. NTIMANE													
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Evidence
Service delivery and infrastructure development	To fully integrate disability issues into the principles, strategies and framework of the municipality	Capacitate council and management on transversal issues especially on disability and mainstreaming especially on the five key performance areas of Local Government	Disability awareness campaign	To hold 2 x disability awareness campaigns	30 delegates from Emakhazeni disability forum attended a disability Summit that was held at NDM on the 27 th of Sept 2013. Vera stimulation centre benefited during the Mandela month where food and learning material was handed over by the Executive Mayor and social partners. Attended a disability forum meeting at epilepsy on the 12 th of Sept 2013.	Meetings held with structures of people with disabilities	4 x awareness campaigns to be conducted by June 2015	Not Achieved 3x awareness campaigns were conducted by 30 June 2015	Salaries Budget R 542 952	Salaries Budget R 594 529	Delays in the establishment of the disability forum	Matter has since been resolved	Attendance register and photos

TRANSVERSAL UNIT													
ANNUAL PERFORMANCE REPORT													
2014/15 FINANCIAL YEAR													
RESPONSIBLE OFFICIAL: MR. Z. NTIMANE													
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Evidence
Service delivery and infrastructure development	To ensure that ELM elderly are able to grow old in secure environment and to ensure that they are met with respect and have access to good health and social care	Encourage, promote and protect the wellbeing of the elderly persons	Elderly awareness campaigns	2 x visits in elderly pay points	Only one pay point visited 120 food parcels distributed to the Emthonjeni elderly service centre on the 18 th of July 2013. 124 food parcels distributed to Engwenya elderly service centres in August.	There was serious crisis at all elderly persons pay points e.g. long queues	One station and centre visited on a monthly basis	Not Achieved No service centre were visited	Salaries Budget R 542 952	Salaries Budget R 594 529 NDM, DSD, Office of the Premier, Social partners and NGO's	Lack of human resources	Appointment of the Transversal Co-ordinator	Attendance register and photos
Service delivery and infrastructure development	Ensure child participation on child related matters as and when this is required.	Encourage, promote and protect the wellbeing of children	Quality life and quality education for ELM children	04 x visits to ECD centres by 30 June 2013-2014	4 x visits to ECD centres held	All ELM ECD 's were visited	To establish 4 x formal structures responsible for children by June 2015	Not Achieved No ECD Structure was established	Salaries Budget R 542 952	Salaries Budget R 594 529	Delays by stakeholders in establishing the structure	The structure has been established	Attendance register and photos

YOUTH DEVELOPMENT ANNUAL PERFORMANCE REPORT 2014/15 FINANCIAL YEAR													
RESPONSIBLE OFFICIAL: MR. Z. NTIMANE													
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Evidence
Economic Growth and Development	To address the needs, challenges and avail opportunities of young man and women by accommodating their specific youth development matters	creating interventions aimed at providing access to quality education and skills development to youth out of school and in school	Informed learners	1 career expo to be held by 30 June 2014	On the 07 th of March 2014 the Municipality in partnership with Eskom (Kusile) conducted a career expo at Belfast Academy School, the expo was fairly attended by all 08 high schools from Emakhazeni circuit .	1 x career expo held in March 2014	1 career expo to be held by 30 May 2015	Achieved 1 career expo held by 30 May 2015	Salaries Budget R 542 952	Salaries Budget R 594 529 Social Partner (NBC EXXARO & Nkangala District Municipality)	None	None	Attendance register and photos
Economic Growth and Development	To address the needs, challenges and avail opportunities of young man and women by accommodating their specific youth development matters	By creating interventions aimed at providing access to quality education and skills development to youth out of school and in school	More grade 12 graduates supported.	40 learners to be assisted by June 2014	21 learners assisted by Assmang Chrome, 15 learners assisted by Nkomati and 05 learners received full bursary from NDM , a total 41 learners assisted in 2013/2014 financial year.	41 learners supported in 2013/2014 financial year.	40 learners to be assisted by March 2015	Not Achieved 07 learners assisted by 30 March 2015	Salaries Budget R 542 952	Salaries Budget R 594 529 Social partners and the Department of Education	Due to unforeseen circumstance i.e. (the workers strike action that took place in November 2014 until January 2015), the learners failed to submit their requests to the office.	Timeous issuing of application and use of technology	Proof of payments, photos

YOUTH DEVELOPMENT ANNUAL PERFORMANCE REPORT 2014/15 FINANCIAL YEAR											
RESPONSIBLE OFFICIAL: MR. Z. NTIMANE											
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Evidence
Economic Growth and Development	To address the needs, challenges and avail opportunities of young man and women by accommodating their specific youth development matters	By creating interventions aimed at providing access to quality education and skills development to youth out of school and in school	Improved learners results and decrease in learners school drop out	8 high schools in Emakhazeni to be motivated	8 high schools within the circuit of Emakhazeni were motivated through the annual motivational sessions of the office.	08 high schools motivational programme held in 2013-2014 financial year.	08 high schools to be motivated by October 2014	Achieved 08 high schools were motivated by October 2014	Salaries Budget R 542 952	Salaries Budget R 594 529	Attendance register and photos
Service delivery and infrastructure development	To initiate program directed at combating crime, substance and drug abuse and social ills.	By facilitating program directed at combating crimes, substance abuse and social ills amongst the youth.	Healthier lifestyle to youth.	04 sporting events to be held by 30 June	02 sporting event held at Siyathuthuka in June	1 sporting events held	04 sporting events to be held by 30 June 2015	Achieved 04 sporting events held by 30 June 2015	Salaries Budget R 542 952	Salaries Budget R 594 529	Photos

YOUTH DEVELOPMENT													
ANNUAL PERFORMANCE REPORT													
2014/15 FINANCIAL YEAR													
RESPONSIBLE OFFICIAL: MR. Z. NTIMANE													
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Evidence
Service delivery and infrastructure development	To initiate program directed at combating crime, substance and drug abuse and social ills.	By facilitating program directed at combating crimes, substance abuse and social ills amongst the youth.	Healthier lifestyle to youth	04 Cultural events to be held by 30 June	The office conducted arts and culture summit in September 2013 And the arts and culture festival in Siyathuthuka community hall	1 x arts and cultural road show and 1 x arts and cultural summit	02 Cultural events to be held by 30 June 2015	Achieved 02 Cultural events were held by June 2015	Salaries Budget R 542 952	Salaries Budget R 594 529	None	None	Attendance register and photos
ECONOMIC Growth and Development	To initiate program directed at combating crime, substance and drug abuse and social ills.	By facilitating program directed at combating crimes, substance abuse and social ills amongst the youth.	Drug free society	02 awareness campaign to be held by June 2013-2014	02 awareness campaign held at Sakhelwe and Emthonjeni during the month of March 2014	2 substance and drug abuse awareness campaign held	02 campaign to be held by 30 June 2015	Achieved 02 campaigns held by 30 June 2015	Salaries Budget R 542 952	Salaries Budget R 594 529	None	None	Attendance register and photos
Economic growth and development	To initiate program directed at combating crime, substance and drug abuse and social ills.	By conscious young people about HIV/AIDS matters	Reduce AIDS prevalence	04 HIV/AIDS awareness campaign to be held in 2013-2014 financial year.	04 awareness campaign held in all the units	1 awareness campaign held	04 awareness campaigns to be held by 30 June 2015	Achieved 04 awareness campaigns held by 30 June 2015	Salaries Budget R 542 952	Salaries Budget R 594 529 NDM, Social partners	None	None	Attendance register and photos

YOUTH DEVELOPMENT ANNUAL PERFORMANCE REPORT 2014/15 FINANCIAL YEAR													
RESPONSIBLE OFFICIAL: MR. Z. NTIMANE													
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Evidence
Economic growth and development	To initiate program directed at combating crime, substance and drug abuse and social ills.	By facilitating program directed at combating crimes, substance abuse and social ills amongst the youth	Reduction in teenage pregnancy	2 teenage pregnancy awareness to be conducted by 30 June 2013-2014 financial year	04 awareness campaign held in all the units	01 teenage pregnancy awareness campaign held	2 teenage pregnancy awareness to be conducted by 30 June 2014	Achieved 2 teenage pregnancy awareness to be conducted by 30 June 2014.	NDM, Social partners and sector departments	NDM, Social partners and sector departments	None	None	Attendance register and photos
Economic growth and development	To increase youth participation in the socio economic programme	By promoting the participation of young people in the public and private procurement.	Self sustained SMME's	04 youth SMME's supported	03 x youth SMME's assisted by NYDA grant (Siphonkosi printing services , Bongani Madonsela internet cafe and Robert Mahlangu car wash	Two business programme held	04 Youth SMME's supported by June 2014-2015 financial year.	Not Achieved 02 youth SMME's supported by 30 June 2015	Salaries Budget R 542 952	Salaries Budget R 594 529 NYDA	The 2 SMME that were selected to be assisted were declined due to the credit worthiness	Encourage the youth to pay accounts in full.	Report from NYDA

RESPONSIBLE OFFICIAL: MR. Z. NTIMANE

PUBLIC PARTICIPATION ANNUAL PERFORMANCE REPORT 2014/15 FINANCIAL YEAR													
RESPONSIBLE OFFICIAL: MR. L.F. KHUMALO													
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Evidence
Public participation	Establish appropriate mechanisms, processes and procedures to enable the local community to participate in the affairs of the municipality	Invite members of the public to council sittings	Number of members attending council sitting	600 members of the public to attend council sittings	254 members of the public attended council sittings.	480 members of the public attended during 2013/2014 financial year	400 members of the public attending in 2014/2015 financial year	Not Achieved 176 members of the public attended the council sittings.	R 923 993	R 973 630	lack of information to the community resulting in low attendance	intensify communication for the council meetings through public notices and public advertised schedule of meetings	Attendance registers
Public participation	Establish appropriate mechanisms, processes and procedures to enable the local community to participate in the affairs of the municipality	Invite members of the public to the IDP and budget consultative meetings invite members of the public to the budget consultative meetings	Number of community members attending the IDP consultative meetings	880 community members attending the meetings by end of 2014/2015 financial year Number of members of the public present in the meetings	753 Members attended the IDP meeting s.	800 community members attended IDP meetings in 2012/2013 800 community members attended the meetings in the year 2012/2013	880 community members attending the meetings by end of 2014/2015 financial year 880 members of community attending budget Consultative meetings	Not Achieved 253 Members attended the IDP meeting s. Not Achieved 148 members of community attended budget Consultative meetings	R 923 993	R 973 630	Lack of public interest in IDP meetings	Intensify communication through ICT	Attendance registers Attendance registers

PUBLIC PARTICIPATION ANNUAL PERFORMANCE REPORT 2014/15 FINANCIAL YEAR													
RESPONSIBLE OFFICIAL: MR. L.F. KHUMALO													
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Evidence
Public participation	appropriate mechanisms, processes and procedures to enable the local community to participate in the Establish affairs of the municipality	invite members of the public to public feedback meetings after Council Sitings	community members attended the meetings in 2012/2013 financial year	4000 Community members attending the feedback meetings.	759 members of the public to feedback meetings	3000 community members attended the meetings in 2012/2013 financial year	3000 community members attending the feedback meetings by end of 2014/2015 financial year	Not Achieved 822 members attended community feedbacks this financial year	Salaries budget R923 993	R 973 630	Ward committees not adhering to the calendar of events	Speakers Intervention in all the non-performing Wards was undertaken	Minutes and attendance registers. SMS Notices
Public participation	Establish appropriate mechanisms, processes and procedures to enable the local community to participate in the affairs of the municipality	Invite ward committee members to ward committee meetings bi-monthly	6 ward committee meetings held in the financial year	80 ward committee members present in the meetings	80 ward committee members present in the meetings	30 ward committee members attended meetings held this financial year 2012/2013	80 Ward Committee members attending ward committee meetings by end of 2014/2015 financial year	Not Achieved 62 members of the ward committees attended ward committee meetings	Salaries budget R923 993	R 973 630	Ward 8 ward committee was dysfunctional and unable to hold meetings which affected the targets	Intervention from the Speaker and Cogta was undertaken	Minutes and Attendance register

RESPONSIBLE OFFICIAL: MR. L.F. KHUMALO

PUBLIC PARTICIPATION													
ANNUAL PERFORMANCE REPORT													
2014/15 FINANCIAL YEAR													
RESPONSIBLE OFFICIAL: MR. L.F. KHUMALO													
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Evidence
Good Governance and Public Participation	Establish appropriate mechanisms, processes and procedures to enable the local community to participate in the affairs of the municipality	Invite members of the ward committees to a public participation summit	Public participation summit	1 public participation summit to be held for 2013/2014 financial year.	1 Public participation summit held in June 2014.	80 ward committee members attended the summit in June 2012	80 ward committee member attend the summit	Not Achieved The summit was not held	Vote 019 260019 R150 000	R 147 063.70	Due to lack of financial resources the summit could not be held	Target included in the 2015/2016. Funds will be raised from social partners sectors	Attendance register

PUBLIC PARTICIPATION ANNUAL PERFORMANCE REPORT 2014/15 FINANCIAL YEAR													
RESPONSIBLE OFFICIAL: MR. L.F. KHUMALO													
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Evidence
Public Participation	Establish appropriate mechanisms, processes and procedures to enable the local community to participate in the affairs of the municipality	Invite members of the stakeholders to an ID/stakeholders forum meetings	Number of members of the stakeholders present in the meeting	12 stakeholders forum meetings to be held June 30 2014	10 members of the stakeholders attended Stakeholders Forum meeting	48 people attended the meeting by the end of the financial year 2013/2014	48 people attended the meeting by the end of the financial year 2014/2015	Achieved 93 people attended the meeting by the end of the financial year 2014/15 Vote 019 260019 R150 000	R147 063.70	R12,000.00	2 meetings were not planned due to December month holidays	all planned meeting to be held in the next financial year	attendance register.
	Establish appropriate mechanisms, processes and procedures to enable the local community to participate in the affairs of the municipality	Invite members of the public to LGNC meetings	Number of members attending LGNC meeting	New project	new project	100 members of the public attended the LGNC meetings during 2012/2013 financial year	800 members of public attends LGNC meetings by the end of financial year 2014/2015	Not Achieved 0 members of public attended the LGNC meeting	Salaries budget R923 993	R 973 630	The LGNC programme has not been successful	Resuscitation LGNC	attendance register

PUBLIC PARTICIPATION ANNUAL PERFORMANCE REPORT 2014/15 FINANCIAL YEAR													
RESPONSIBLE OFFICIAL: MR. L.F. KHUMALO													
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Evidence
Public participation	Establish appropriate mechanisms, processes and procedures to enable the local community to participate in the affairs of the municipality	Development of the community capacity for meaningful participation in the municipal affairs	Number of community members attending the capacity building workshops	New project	New project	New Project	800 members of the public attend capacity building workshops during 2014/2015 financial year	Not Achieved 200 community members attended the public capacity building workshops	Salaries budget R923 993	R 973 630	Lack of effective communication with the community	Communication with the community to be intensified in the 2015/2016 financial year	Attendance registers
Public participation	Establish appropriate mechanisms, processes and procedures to enable the local community to participate in the affairs of the municipality	Develop a media and communications material	News letter to be developed	800 communications material developed and issued by end of 2014/2015 financial year	none	New Project	News letter to be developed for 2014/2015	Not Achieved Draft newsletter developed	Salaries budget R923 993	R 973 630	The Editorial Team did not finalise its work on time for the newsletter to be issued	An editorial Team established and the newsletter to be distributed in 2015/2016 financial year	news letter

PUBLIC PARTICIPATION													
ANNUAL PERFORMANCE REPORT													
2014/15 FINANCIAL YEAR													
RESPONSIBLE OFFICIAL: MR. L.F. KHUMALO													
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Evidence
	Establish appropriate mechanisms, processes and procedures to enable the local community to participate in the affairs of the municipality	Invite members of the community to the Project Steering Committee Meetings	Number of members present in the project steering committee meetings	Number of project steering committee members present in the meetings	New project	New project	Number of project steering committee members present in the meetings	Not Achieved No meetings were held	Salaries budget R923 993	R 973 630	Lack of projects coordination between departments Lack of guidance on the establishment of project steering committees	To establish an Internal Projects Coordination Team between Public Participation and PMU in the 2015/2016 financial year. Development of project steering committee policy	Attendance register
Public Participation	Establish appropriate mechanisms, processes and procedures to enable the local community to participate in the affairs of the municipality	Manage public petitions and complaints	Number of petitions and complaints received	New project	New project	New project	Number of petitions and complaints received by end of 2014/2015 financial year	Achieved A total number of 4 complaints were received from the public	Salaries budget R923 993	R 973 630	None	Target not measurable and has been amended.	Copies of complaint forms Copies of Petitions

PUBLIC PARTICIPATION													
ANNUAL PERFORMANCE REPORT													
2014/15 FINANCIAL YEAR													
RESPONSIBLE OFFICIAL: MR. L.F. KHUMALO													
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Evidence
Public Participation	Establish appropriate mechanisms, processes and procedures to enable the local community to participate in the affairs of the municipality	Invite members of the public to Mayoral Izimbizo in the Municipality	Number of members of the public present in the izimbizo in 2014/2015	New project	New project	New Project	700 members of the public attend Mayoral Izimbizo by end of 2014/2015 financial year	Not Achieved No Mayoral izimbizo's held in 2014/15	Salaries budget R923 993	R 973 630	Employee	None	Photos
Public Participation	Establish appropriate mechanisms, processes and procedures to enable the local community to participate in the affairs of the municipality	Conduct a Consumer Satisfaction Survey	Number of households reached in the satisfaction survey	New project	New project	new project	800 households involved in the survey by end of 2014/2015 financial year	Not Achieved 793 households were involved in the survey of 2014/2015 financial year	NDM	NDM	The selection was based on sampling and the project was implemented by Nkangala District municipality on behalf of the municipality	Encourage more people to participate in surveys	Questionnaires report

PUBLIC PARTICIPATION ANNUAL PERFORMANCE REPORT 2014/15 FINANCIAL YEAR													
RESPONSIBLE OFFICIAL: MR. L.F. KHUMALO													
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Evidence
Public Participation	Establish appropriate mechanisms, processes and procedures to enable the local community to participate in the affairs of the municipality	Invite members of the public to sector meetings	Number of members of the sectors present in a meeting in 2014/2015	New project	New project	New Project	500 members of the community sectors attending sectoral meetings by end of 2014/2015	Not Achieved 100 members of the sectors present in the sector meetings	Salaries budget R923 993	R 973 630	lack of effective communication with members of the public	communication to be effectively intensified with the community in the 2015/2016 financial year	Attendance registers

OFFICE OF THE MUNICIPAL MANAGER													
ANNUAL PERFORMANCE REPORT													
2014/15 FINANCIAL YEAR													
Priority Issue	Strategic Objective	Strategy	Output Indicator	2013/14 Annual Target	2013/14 Actual Performance	2013/14 Baseline	2014/15 Annual Target	2014/15 Actual Performance	Budget Allocated	Budget Spent	Reason for Deviation	Corrective Action	Evidence
Good governance	To promote good governance	Compilation of draft framework and circulating of draft, to all role players for comments. Inviting National Treasury/ Provincial Government to comment on draft documentation. Tabling of Risk Management policy before Council for consideration and possible approval	Number of Approved documents regarding Risk Management Frameworks	New target	-	No risk management frameworks documents were in place	4 Approved documents regard Risk Management Frameworks	Achieved 4 documents regarding Risk Management Framework were approved by council on the 31 July 2014	Salaries Budget R 168 126	Salaries Budget R 195 015	None	None	Council resolution
Good governance	To promote good governance	Review the policy. Submit the policy to the council for approval as draft. Post the policy on the internal notice and internet. Submit the draft policy to the council for final approval	Develop fraud, prevention and detection policy prevention plan and response plan and approved by June 2015	New target	-	No fraud, prevention and detection policy prevention plan and response plan was in place	Approved fraud, prevention and detection policy prevention plan and response plan	Achieved Fraud, prevention and detection policy prevention plan and response plan was approved by council on the 31 July 2014	Salaries Budget R 168 126	Salaries Budget R 195 015	None	None	Council resolution

Good governance	To promote good governance	Develop a culture of risk management within the organization; Install a culture of Corporate Risk Management and risk ownership being practiced as everyone's responsibility.	Reviewed Risk register approved	New target	-	The risk register is review on an annual basis	Approved enterprise risk register	Achieved The enterprise risks register was approved on the 19 December 2014.	Salaries Budget R 168 126	Salaries Budget R 195 015	None	None	Council resolution
Good governance	To promote good governance	To arrange risk management committee meetings	Number of meetings held	New target	-	Risk management committee was dysfunction	4 meetings	Achieved 4 meetings held	Salaries Budget R 168 126	Salaries Budget R 195 015	None	None	Attendance register and minutes
Good governance	To promote good governance	Be able to measure the effectiveness of Corporate Risk Management effort through the risk management process	Number of risk progress report submitted.	New target	-	No risk progress report were submitted	4 risk progress report	Achieved 4 risk progress reports were submitted to committees	Salaries Budget R 168 126	Salaries Budget R 195 015	None	None	Agenda and minutes
Good governance	To promote good governance	Be able to measure the effectiveness of Corporate Risk Management effort through the risk management process				risk management committee minutes were submitted	4 risk management committee minutes	Not Achieved Only 2 management committee minutes were submitted	Salaries Budget R 168 126	Salaries Budget R 195 015	None	To ensure that the third and fourth risk management committee minutes are submitted on the new financial year 2015/16	Audit committee agenda

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

(PERFORMANCE REPORT PART II)

INTRODUCTION

In order to ensure effective organizational performance, the municipality reviews its organizational structure on an annual basis in order to be able to make provision on the budget for filling of prioritized and critical posts. The Workplace Skills Plan is developed and approved by Council to ensure that staff members are skilled in order for them to be effective in positions they occupy.

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

VACANCY RATE PER ORGANIZATIONAL STRUCTURE								
DEPARTMENT	2013/2014				2014/2015			
	No of posts approved	No of posts filled	Vacancies	Vacancies %	No of post approved	No of posts filled	No of Vacancies	Vacancies %
Corporate Services Department(Legal Services, ICT, OHS, Records and Administration, Labour Relations and Compliance	39	33	6	15	39	35	4	10
Planning and Development(Urban and Rural Development, LED, IDP)	9	7	2	22	8	7	1	12.5
Office of the Municipal Manager(Internal Audit, Risk Management, Performance Management	5	3	2	40	6	5	1	16
Office of the Executive Mayor(Transversal Issues, Youth Management	6	6	0	0	4	3	1	25
Office of the Speaker(Public Participation)	4	3	1	25	3	3	0	0
Financial Services Department (Income, Expenditure, Supply Chain Management, Budget And Financials)	55	46	9	16	53	45	8	15
Community Services Department(Health, Licensing, Traffic, Public Safety, Sports and Recreation, Waste Management and Disposal, Public Amenities)	194	149	45	23	190	144	46	24
Technical Services Department(Water, Sanitation, Electricity, Roads and Stormwater	195	139	56	28	195	144	51	26
TOTAL NUMBER OF POSTS	507	386	121	24	498	386	112	22

Vacancy Rate: Year 2014/2015			
Designations	*Total Approved Posts	*Vacancies	*Vacancies
	No.	No.	%
Municipal Manager	1	1	100
CFO	1	0	0
Other S57 Managers (excluding Finance Posts)	4	0	0
Other S57 Managers (Finance posts)	0	0	0
Traffic officers	13	1	8
Fire fighters	7	0	0
Senior management: Levels 13-15 (excluding Finance Posts)	14	4	28
Senior management: Levels 13-15 (Finance posts)	2	2	100
Highly skilled supervision: levels 9-12 (excluding Finance posts)	38	4	11
Highly skilled supervision: levels 9-12 (Finance posts)	8	1	13
Total	88	13	15

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-over Rate*
	No.	No.	
2012/2013	19	6	31.58%
2013/2014	16	15	93.75%
2014/2015	31	24	77.41 %

COMMENT ON VACANCIES AND TURNOVER:

All vacancies which are budgeted for are advertised as per Council approved policies, depending on the level of the post being advertised, the municipality makes use of notice boards, website and local newspapers. Where it is anticipated that the recruitment and selection process might take longer and therefore have a negative impact on service delivery, acting appointments on certain positions are recommended for approval. The turnaround time if filling vacant posts is dependent on the availability of cashflow and skills in the labour market.

All Senior Management positions were filled during the first and second quarter of the financial year, however, the post of the Municipal Manager became vacant in the third quarter as the Municipal Manager tendered her resignation. The municipality is currently dealing with the process of filling the vacant post per the Regulations on the Conditions of Appointment for Senior Managers.

The turnover rate in the financial year was mainly due to resignations, retirement and death with two dismissals.

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

Note: MSA 2000 S67 requires municipalities to develop and adopt appropriate systems and procedures to ensure fair; efficient; effective; and transparent personnel administration in accordance with the Employment Equity Act 1998.

The municipality develops its Employment Equity Plan and reviews it on an annual basis and also compiles an Employment Equity Report to give progress report on the implementation of the previous year's EEP. Both documents are submitted to the Department of Labour timeously as legislated.

The table below represents the policies developed to assist with workforce management

4.2 POLICIES

HR POLICIES AND PLANS			
NAME OF POLICY	APPROVED DATE	REVIEWED DATE	APPROVED AS DRAFT
Attendance And Punctuality	29/06/2010	No	26/11/2009
Employment Equity Policies	29/05/2007	04/12/2012	NO
Hiv/Aid Policies	29/05/2007	28/02/2013	No
Bursary Policy (Scholarship Agreement)	31/01/2007	No	31/03.2008
Occupational Health And Safety Policy (Plan)	29/05/2007	30/09/2009 & 28/06/2012	No
Sexual Harassment Policy	29/05/2007	No	No
Smoking Policy	29/05/2007	No	No
Whistleblowing Policy	03/09/2002	28/05/2015	19/12/2014
Dress Code Policy(Induction Manual)	29/05/2007	30/09/2009 & 28/06/2012	No
Information Technology Policy	11/08/2009	29/03/2012	26/03/2009
Experiential Training And Internship Policy	24/11/2011	No	29/09/2011
Bereavement Policy	No	No	26/11/2009
Promotion Of Access To Information Manual	No	No	27/10/2005
Staff Retention Policy	24/11/2011	No	29/06/2010
Termination Of Employment Policy	29/05/2007		
Stand By Allowance Policy	29/05/2007	30/06/2015	
Human Resource Development Policy	29/05/2007		
Monitoring Of Employees Policy	28/07/2011		
Employment Equity Plan			
Workplace Skills Plan For 2013/2014	25/07/2013		
Cell Phone Policy	(06/03/2003) 27/09/2012	28/06/2012	
Leave Management Policy			29/09/2011
Overtime Policy	29/05/2007	30/06/2015	
Subsistence & Travelling Policy	03/12/2001 27/09/2012	28/06/2012	
Disciplinary, Grievance And Dispute Resolution Policy	29/05/2007		
Employment Incapacity Policy	29/05/2007		
Code Of Conduct	30/09/2009	28/06/2012	
Induction Manual	29/05/2007 30/09/2009 4/12/2012	28/06/2012 31/01/2013 30/06/2015	
Recruitment And Selection Policy	29/05/2007 04/12/2012	26/07/2012	
PPC & PPE Policy			26/07/2012
Language Policy	04/12/2012		26/07/2012
Disclosure Of Interest And Declaration Of Financial Interest Policy	25/07/2013		30/05/2013
Access To Information Procedure Manual		28/03/2013	
Code Of Conduct	04/12/2012		

COMMENT ON WORKFORCE POLICY DEVELOPMENT:

The Workplace Skills Plan, Employment Equity Plan were submitted to the relevant institutions as legislated. The draft Standby Allowance Policy, Overtime Policy, Induction Manual was approved as a draft by Council in its meeting held on the 30th June 2015.

4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number of days and Cost of Sick Leave (excluding injuries on duty)				
Salary band	Total sick leave	Employees using sick leave	Total employees in post*	*Average sick leave per Employees
	Days	No.	No.	Days
Semi Skilled(Level 1-2)	556	63	124	4.5
Skilled (Levels 3-5)	81	10	44	1.8
Highly skilled production (levels 6-8)	253	30	57	4.4
Highly skilled supervision (levels 9-12)	186	20	36	5.2
Senior management (Levels 13-15)	26	3	17	1.5
MM and S57	13	2	6	2.2
Total				
Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalized	Date Finalized
Electrician	Theft of electrical cable	29 August 2014	<ul style="list-style-type: none"> Employee was charged and subjected to a Disciplinary Hearing. Employee was charged with contravening paragraph 1.2.5. of the Disciplinary Procedure Code & Collective Agreement, in that he failed to conduct himself with honesty & integrity. The verdict is guilty The sanction is that the employer will withhold from the employee any salary increment for the period of 2015-2016 	19 th August 2015
Labourer: Roads and Stormwater	Theft of electrical cable	29 August 2014	<ul style="list-style-type: none"> Employee was charged and subjected to a Disciplinary Hearing. Employee was charged with contravening paragraph 1.2.5. of the Disciplinary Procedure Code & Collective Agreement, in that he failed to conduct himself with honesty & integrity. The verdict is guilty The sanction is that the employer will withhold from the employee any salary increment for the period of 2015-2016 	19 th August 2015
Labourer: Roads and Stormwater	Theft of electrical cable	29 August 2014	<ul style="list-style-type: none"> Employee was charged and subjected to a Disciplinary Hearing. Employee was charged with contravening paragraph 1.2.5. of the Disciplinary Procedure Code & Collective Agreement, in that he failed to conduct himself with honesty & integrity. The verdict is guilty The sanction is that the employer will withhold from the employee any salary increment for the period of 2015-2016 	19 th August 2015

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

During the period of 2014/2015 financial year, there were no cases of financial misconduct dealt with by the municipality.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

The municipality regards its employees as investments that will if properly capacitated provide long term rewards to the organisation in the form greater productivity.

Annually the training of employees gets prioritised as per the requirement of the Skills Development Act. The design and development of training programs that the employees attended were largely informed by the performance gap in terms of the Key Performance Areas in various departments.

The outcomes of these training programs had been improved performance in most of the functions but with challenges on financial matters. Challenges experienced by the municipality are in terms of;

1. Failure to spend allocated budget due to cash flow problems
2. Inadequate budget allocation due to other IDP competing needs.
3. None declaration of funds meant for skills development by other departments resulting into lack of coordination and monitoring of training programs by the Skills Development Facilitator.

Despite all these challenges council remains committed and optimistic in capacitating its staff for a desirable performance and improved service delivery. For the year 2014/15 a budget of R408 000 was allocated and adding to that would be grants from LGSETA and National Treasury. Through this funding we plan to have more officials trained in the field of Financial Management to try and prevent other adverse findings from the AG. The table below represents the progress report on the trainings implemented during the 2014/2015 financial year.

TRAINING PROGRAM	NUMBER OF EMPLOYEES	SERVICE PROVIDER	PROGRESS STATUS
Plumbing	8	M2 Engineering	Completed
Councilor Development Program	6 councilors	South African Institute of Learning (SAIL)	In progress
Councilor Development on Water	1	Department of Water and Sanitation	Completed
Municipal Finance Management	5	Kgolo Institute	In progress
Grader Operation	10	Hikensile Institute and Training	In progress
Water and Waste Water Training	6	Mahube Training and Development	Completed
Diesel Mechanic	1	Clein's Technical Training Centre	Completed
Municipal Public Account	5	Pretoria University	Completed

4.4 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix														
Management level	Gender	Employees in post as at 30 June 2015	Number of skilled employees required and actual as at 30 June 2015											
			Leamerships			Skills programmes & other short courses			Other forms of training			Total		
		No.	Actual: 30 June 2014	Actual: 30 June 2015	2014/2015 Target	Actual: 30 June 2014	Actual: 30 June 2015	2014/2015 Target	Actual: 30 June 2014	Actual: 30 June 2015	2014/2015 Target	Actual: 30 June 2014	Actual: 30 June 2015	2014/2015 Target
MM and s57	Female	3		3	1								3	1
	Male	3		1	2								1	2
Councillors, senior officials and managers	Female	9			1		5	5					5	6
	Male	18			7		4	4					4	11
Technicians and associate professionals*	Female	3	1			1	1	25				2	1	25
	Male	52	14	6		9	17	36				23	23	36
Professionals	Female	19	2		5	1	1	1				3	1	6
	Male	10		1	3	3							1	3
Sub total	Female	34	3	8	7	2	7	31				5	15	38
	Male	73	14	3	12	12	21	40				26	24	52
Total		107	17	11	19	14	28	71				59	78	180

Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
Accounting officer	1					
Chief financial officer	1			1		
Senior managers	4			4		
Any other financial officials	11					02
Supply Chain Management Officials						
Heads of supply chain management units	1					
Supply chain management senior managers						
TOTAL	18	0	18	5		

Skills Development Expenditure										
R'000										
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development 2014/2015							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
		No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
MM and S57	Female	3	R150.000.00	R 99,750.00						R 99,750.00
	Male	3	R150 000.00	R 99,750.00						R 99,750.00
Legislators, senior officials and managers	Female	9	R 102,500.00							
	Male	18	R 102,500.00							
Professionals	Female	19	R35000.00							
	Male	10								
Technicians and associate professionals	Female	3								
	Male	52		R 46000.00						R 46000.00
Clerks	Female	20								
	Male	16								
Service and sales workers	Female	10								
	Male	15								
Plant and machine operators and assemblers	Female	0								
	Male	28	R16,000.00	R 25 500.00						
Elementary occupations	Female	37								
	Male	113	R 35000.00	R11000.00						R11000.00
Sub total	Female	101	R35000.00							
	Male	255								
Total		356	626.000	R282,000.00						R282,000.00

COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS:

Plans for the training programs were inadequate due to a number of competing developmental needs. In addition the variances between actual and budgeting expenditure occur as a result of cash flow challenges. The intended purpose of optimizing training by allocating required funding and opportunities to deserving employees gets defeated because of low level spending on allocated budget.

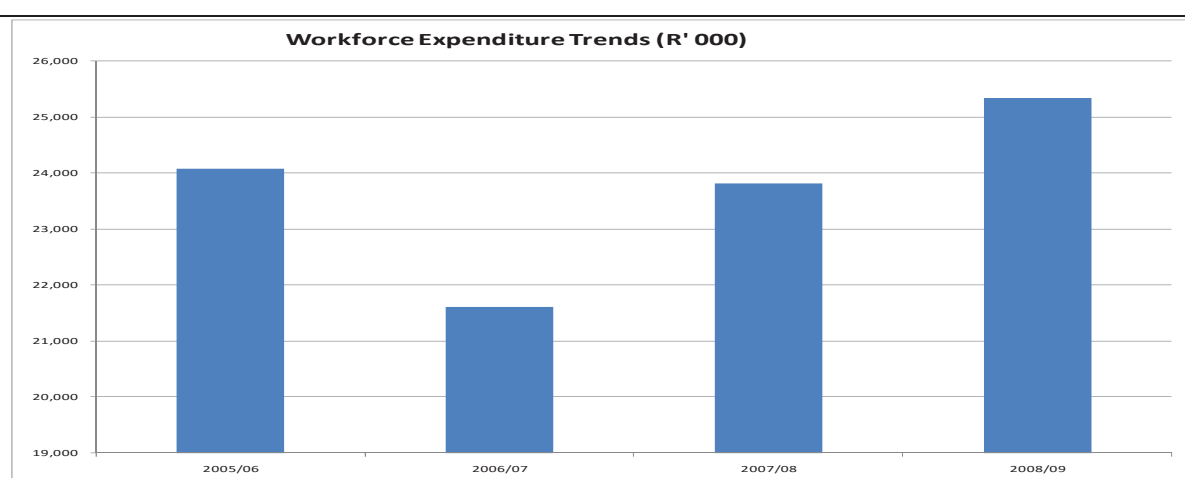
The MFMA regulations provides for all financial officials to comply with the minimum competency levels required and the unit standards prescribed for financial and supply chain. Be that as it may the municipality could not meet the 2013 deadline as per Circular 60 and an extension was granted. For the year end the municipality has at least managed to train 5 senior and middle managers. Currently the municipality has enrolled 30 of its financial officials and 8 are already in attendance until May 2016 and thereafter the next outstanding group will have to attend

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

INTRODUCTION TO WORKFORCE EXPENDITURE

All departments are required to complete the prescribed personnel request form and submit to HR section. The HR is responsible to ensure that the relevant post exists on the organogram and that provision has been made in the budget to fill the post in order to manage workforce expenditure and prevent overspending. No posts are filled if provision was not made in the budget or if the post does not exist in the approved organogram.

4.5 EMPLOYEE EXPENDITURE



COMMENT ON WORKFORCE EXPENDITURE:

In the previous financial year and the financial year in question, no salary adjustments were made to salaries as a result of a position being upgraded and there were no employees appointed in positions not budgeted as this is against Council policy.

DISCLOSURES OF FINANCIAL INTERESTS

The municipality developed a policy on Disclosure of Interest for all municipal officials and Councillors. Detailed information on disclosures by Councillors and officials are detailed in **Appendix**.

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

The purpose of the Annual Financial Statements is to provide information on the financial position, performance and change in position of the municipality over time to users of the financial statements in a manner that will enable them to make useful economic decisions.

The municipality has done a lot in terms improving and ensuring that accurate Annual Financial Statements are prepared and submitted by fully complying with the following GRAP standards that were provided by the Accounting Standards Board and they were effective from the 01st April 2012:

- GRAP 1- Presentation of Financial Statements
- GRAP 2- Cash Flow Statements
- GRAP 3- Accounting Policies, Changes in Accounting Estimates and Errors
- GRAP 9 – Revenue from Exchange Transaction
- GRAP 12 - Inventories
- GRAP 13 – Leases
- GRAP 16 – Investment Properties
- GRAP 17 – Property, Plant and Equipments
- GRAP 19 – Provision, Contingent Liabilities and Contingent Assets
- GRAP 21- Impairment of Non- Cash-generating Assets
- GRAP 23 – Revenue from Non –exchange Transactions
- GRAP 24- Presentation of Budget Information in Financial Statements
- GRAP 25- Employee Benefits
- GRAP 26 – Impairment of Cash- generating Assets
- GRAP 31- Intangible Assets
- GRAP 103- Heritage Assets
- GRAP 104- Financial Instruments

It must be noted that where GRAP Standards are silence in accounting of certain transaction-IFRS is applicable.

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Description	2013/2014	2014/2015							
	Actual Outcome	Original Budget	Budget Adjustments	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget
Financial Performance									
Property rates	54,522,901	63,123,778	-	63,123,778	16,928,257		-46,195,521	27%	-73%
Service charges	64,938,340	75,076,596	-5,900,000	69,176,596	63,276,919		-5,899,677	91%	-8%
Investment revenue	218,287	216,240	47,760	264,000	380,058		116,058	144%	54%
Transfers recognised - operational	41,975,000	46,402,333	-	46,402,333	44,855,063		-1,547,270	97%	-3%
Other own revenue	27,339,777	9,331,951	-875,322	8,456,629	15,691,427		7,234,798	186%	78%
Profit on Disposal of property, plant and equipment	8,167	204,000	-	-	-		-		
Total Revenue (excluding capital transfers and contributions)	189,002,472	194,150,898	-6,727,562	187,423,336	141,131,724		-46,291,612	75%	-24%
Employee costs	-60,499,221	-77,758,881	-20,000	-77,778,881	63,290,915		14,487,966	81%	-19%
Remuneration of councillors	-4,811,990	-5,108,645	-	-5,108,645	5,069,866		38,779	99%	-1%
Debt impairment	-31,225,459	-9,190,200	-	-9,190,200	32,363,924		41,554,124	-352%	-452%
Depreciation & asset impairment	-49,334,268	-50,979,600	-	-50,979,600	41,288,586		9,691,014	81%	-19%
Finance charges	-2,161,754	-1,537,000	-400,000	-1,937,000	4,080,324		-2,143,324	0%	139%
Bulk purchases: Electricity	-34,256,229	-40,769,696	-	-40,769,696	39,403,834		1,365,862	97%	-3%
Transfers and grants	-	-	-	-	-		-		
Other expenditure	-40,991,057	-50,567,972	3,927,742	-46,640,230	44,379,897		2,260,333	95%	-4%
Loss on Disposal of property, plant and equipment	-	-	-	-	-		-		
Contributions to /(transfers from) provisions	-	-	-	-	-		-		
Total Expenditure	-223,279,978	-235,911,994	3,507,742	-232,404,252	165,149,498		67,254,754	71%	-29%
Surplus/(Deficit)	-34,277,506	-41,761,096	-3,219,820	-44,980,916	24,017,774		20,963,142	53%	-50%
Transfers recognised - capital	13,322,000	17,232,000	-	17,232,000	17,232,000		-	100%	0%
Contributions recognised - capital & contributed assets	-	-	-	-	8,161,303		8,161,303	0%	0%
Surplus/(Deficit) after capital transfers & contributions	-20,955,506	-24,529,096	-3,219,820	-27,748,916	1,375,529		29,124,445	-5%	-119%
Share of surplus/ (deficit) of associate	-	-	-	-	-		-	0%	0%
Surplus/(Deficit) for the year	-20,955,506	-24,529,096	-3,219,820	-27,748,916	1,375,529	42,960,082	29,124,445	-5%	-119%

Capital expenditure & funds sources									
Capital expenditure									
Transfers recognised - capital	21,741,227	16,370,400	-	16,370,400	14,751,864		-1,618,536	90%	-10%
Public contributions & donations	21,328,651	-	-	-	8,161,303		8,161,303	0%	0%
Borrowing	-	-	-	-	-		-	0%	0%
Internally generated funds	412,576	897,000	-195,800	701,200	33,161		-668,039	5%	-74%
Total sources of capital funds	21,741,227	17,267,400	-195,800	17,071,600	22,946,328		5,874,728	134%	34%
Cash flows									
Net cash from (used) operating	20,022,845	35,640,704	-	32,420,904	23,363,249		-9,057,655	72%	-25%
Net cash from (used) investing	-21,830,727	-17,063,400	-	-16,867,600	21,369,930		-4,502,330	0%	0%
Net cash from (used) financing	74,530	-62,400	-	-62,400	353,000		415,400	0%	0%
NET INCREASE/ (DECREASE) IN CASH HELD	-1,733,353	18,514,904	-	15,490,904	2,346,319		-13,144,585	(2,346)	(0)

Financial Performance of Operational Services						
Description	2013/2014	2014/2015				
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Operating Cost						
Water	5,431,783	4,956,702	4,531,420	6,732,469	35.83%	48.57%
Waste Water (Sanitation)	2,199,652	1,292,884	1,738,434	2,799,030	116.50%	61.01%
Electricity	-2,621,588	-2,174,864	-6,520,526	-9,607,163	341.74%	47.34%
Waste Management	-547,303	-1,738,640	-1,528,440	-7,628,973	338.79%	399.13%
Component A: sub-total	4,462,544	2,336,082	-1,779,112	-7,704,637	-429.81%	333.06%
Roads	-3,857,375	-7,741,187	-8,874,004	-3,551,674	-54.12%	-59.98%
Component B: sub-total	-3,857,375	-7,741,187	-8,874,004	-3,551,674	-54.12%	-59.98%
Public Works & Stormage drains	-1,492,032	-11,215,781	-10,705,781	-7,247,672	-35.38%	-32.30%
Local Economic Development	-8,286,352	-2,948,033	-2,948,033	-2,730,933	-7.36%	-7.36%
Component C: sub-total	-9,778,384	-14,163,814	-13,653,814	-9,978,605	-29.55%	-26.92%
Community & Social Services	-1,540,575	-2,114,273	-2,055,018	-1,517,342	-28.23%	-26.16%
Health	-724,922	-1,054,202	-851,995	-281,461	-73.30%	-66.96%
Security and Safety	1,393,552	-1,905,347	-1,817,847	-1,421,208	-25.41%	-21.82%
Sport and Recreation	-3,567,360	-4,187,852	-4,189,318	-3,964,037	-5.34%	-5.38%
Municipal Governance, Administration and Other	-7,342,983	4,505,497	5,676,212	29,794,495	561.29%	424.90%
Component D: sub-total	-11,782,288	-4,756,177	-3,237,966	22,610,447	-575.39%	-798.29%
Total Expenditure	-20,955,503	-24,325,096	-27,544,896	1,375,530	-105.65%	-104.99%

COMMENT ON FINANCIAL PERFORMANCE:

These financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.

We draw attention to the fact that at the end of the reporting period, the current liabilities exceeds the current assets, but as per the debt ratio the municipality is at 20% - 25% . This basis presumption is that the funds will be available to finance further operations and the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The municipality will continue to strengthen the going concern basis with the following:

- * collection rate of consumer debtors to increase
- * benchmarking and prioritisation of expenditure

5.2 GRANTS

Grant Performance						
Description	2013/2014	2014/2015				
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
Operating Transfers and Grants						
National Government:	41,975,000	46,249,000	46,249,000	46,249,000	100%	100%
Equitable share	38,535,000	42,280,000	42,280,000	42,280,000	100%	100%
Municipal Systems Improvement	890,000	934,000	934,000	934,000	100%	100%
Finance Management grant	1,550,000	1,800,000	1,800,000	1,800,000	100%	100%
Other transfers/grants [EPWP]	1,000,000	1,235,000	1,235,000	1,235,000	0%	0%
Other transfers	-	-	-	-		
Provincial Government:						
	-	-	-	-		
District Municipality:						
	-	-	-	-		
Other grant providers:						
INEP	-	-	-	-		
Total Operating Transfers and Grants	41,975,000	46,249,000	46,249,000	46,249,000	100%	100%

COMMENT ON OPERATING TRANSFERS AND GRANTS:

In 2014/2015 operating grants to the total of R46 249 000 were received of which R 1 462 937 was unspent at year end due delay in procurement processes and will be refunded to the National Revenue Fund in November 2015.

The unspent grants were the following:

1. Financial Management Grant: R1 255 063.56
2. Municipal Systems Grant: R 81 455.99
3. EPWP: R 126 417.45

5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

The Municipality has adopted an Asset Management Policy that contains new methodologies; and which is structured according to the following key components: rationale for management of assets; policy framework; asset recognition; asset types; asset acquisition; asset maintenance; renewal of assets; asset disposal; physical control (movable assets); and asset financial control

The Asset Management Unit is located under Supply Chain Management unit within the Department of Finance. There is currently 2 full-time officials and 1 intern under this unit.

1 official had been trained on the Municipal Finance Management Program and the other in under-going the same program. It is also safe to say that the unit is fully functional to meet the requirements of GRAP.

COMMENT ON ASSET MANAGEMENT:

It must be noted that the municipality did not bought an large assets as most of the assets were the ones that are donated by Nkangala

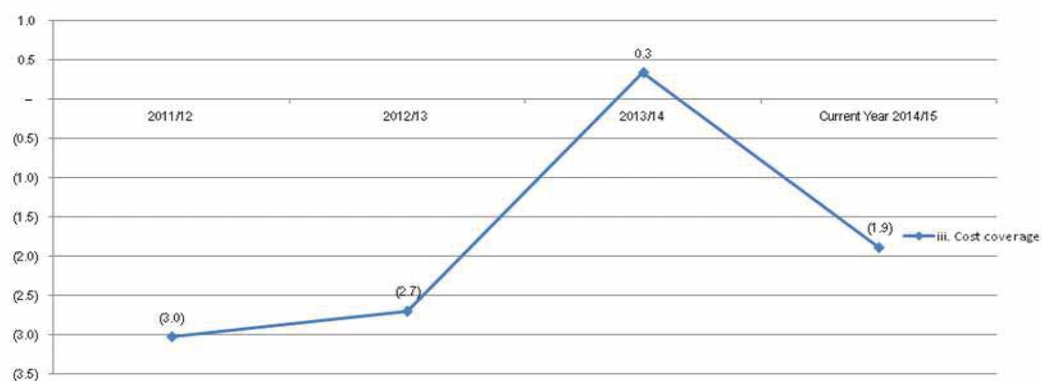
Repair and Maintenance Expenditure: 2014/15				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	10,285,578.00	6,135,355.00	2,471,575.00	76%

COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

Due to the depilating infrastructure, the municipality is unable to repair and maintain regularly its assets and the budgeted amount is always insufficient to cover all the plans in maintain the municipal assets . Currently the municipal has budgeted only 0.4% on repairs and maintenance, which is far below the required norm in terms f National Treasury circular no 71.

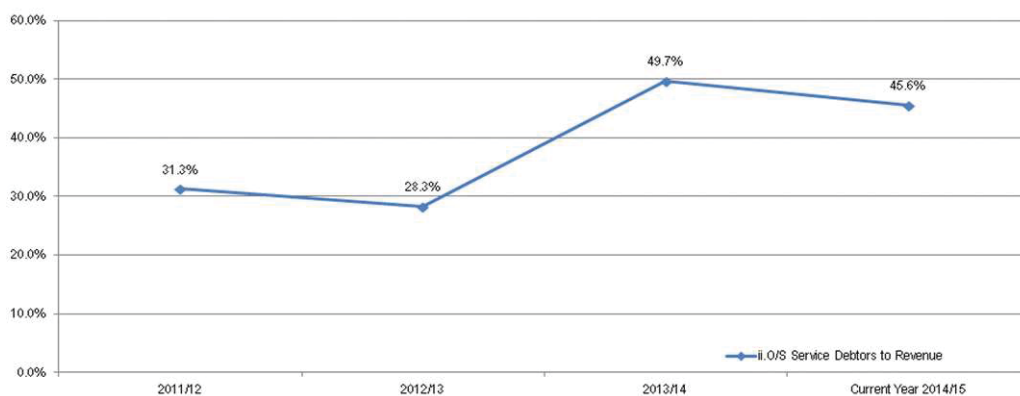
5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

Cost Coverage



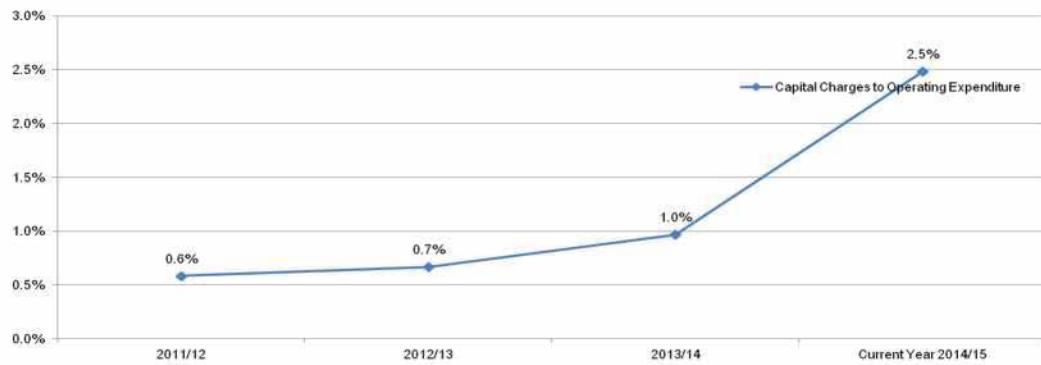
Cost Coverage– It explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants and is calculated

Total Outstanding Service Debtors



Total Outstanding Service Debtors – Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue.

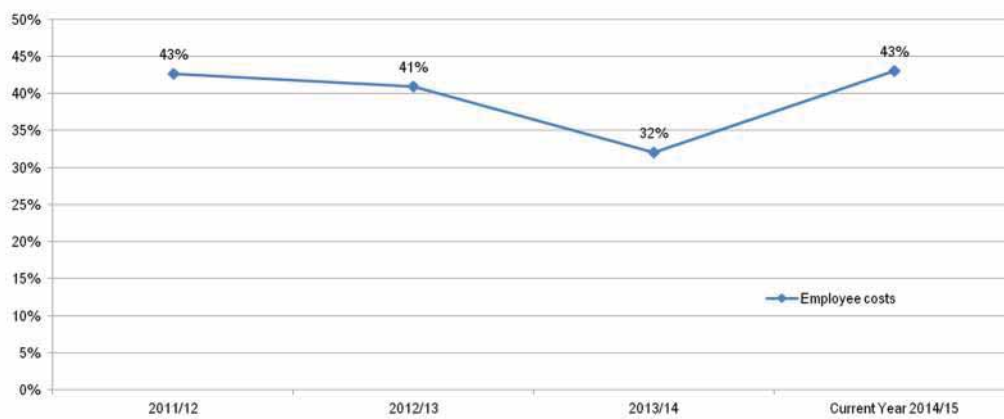
Capital Charges to Operating Expenditure



Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.

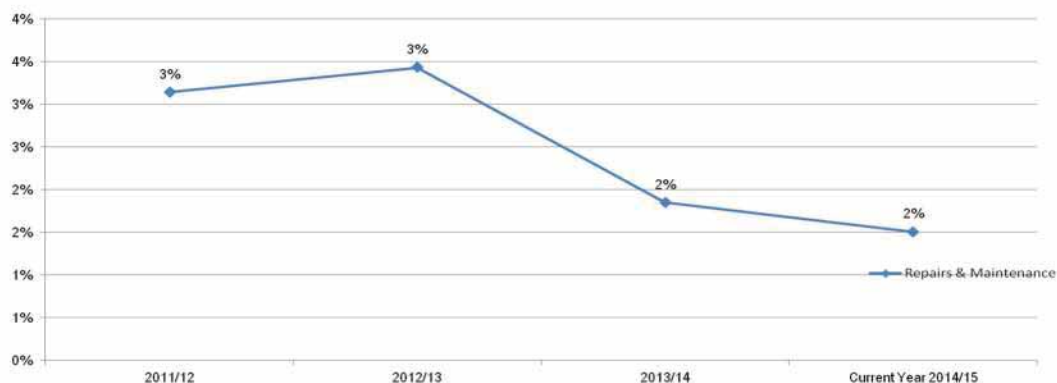
T5.4.4

Employee Costs



Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.

Repairs & Maintenance



Repairs and Maintenance – This represents the proportion of operating expenditure spent and is calculated by dividing the total repairs and maintenance.
Data used from MBRR SA8

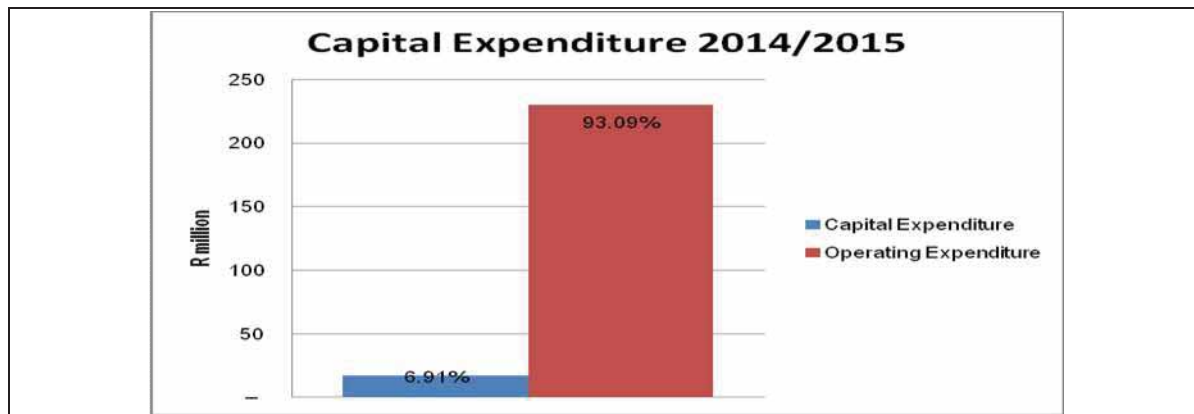
COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Emakhazeni Local Municipality is fully dependant on the grants . As for the capital expenditure the municipality has relied on the Municipal Infrastructure Grant which was allocated to the municipality for the 2014/15 financial year . The total amount that was allocated was R 17 232 000.00 from National Treasury and the following projects were executed:

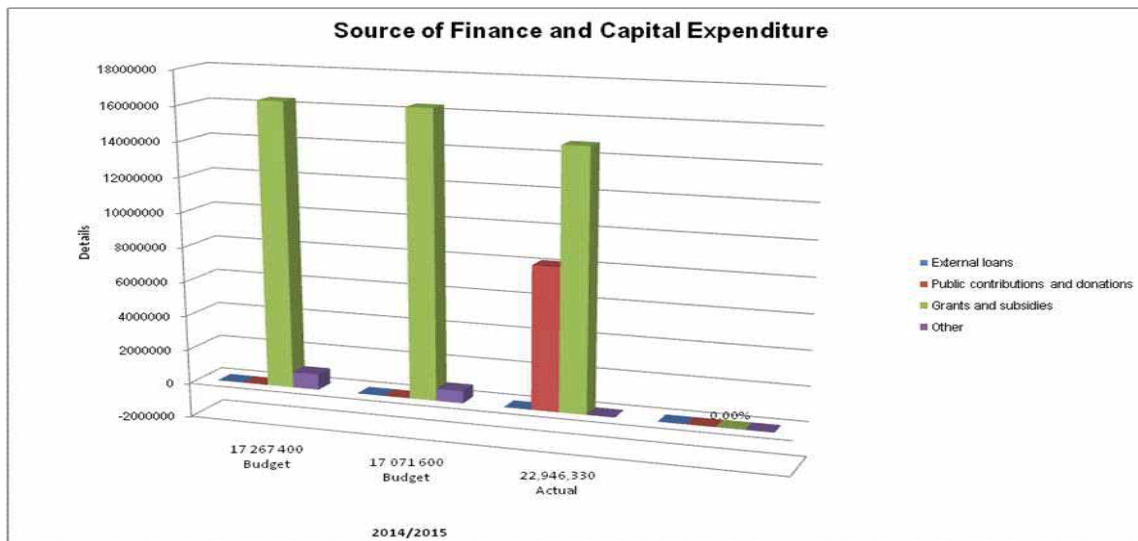
5.5 CAPITAL EXPENDITURE

No	Name of the project	Amount spend
1	Emthonjeni Extension 4 and Enkanini Township: Provision of waterborne sanitation for 800 stands phase 1	R 987 482.39
2	Emthonjeni Extension 4 and Enkanini Township: Provision of water for 800 stands	R1 280 000.00
3	Water supply in rural areas phase 6	R 3 000 000.00
4	Madala Township: Provision of water for 500 stands	R 3 216 457.71
5	Madala Township: Provision of waterborne sanitation for 500 stands	R 2 270 435.28
6	Paving or roads around Emakhazeni Local Municipality Townships phase 2: (Road 1 Emgwenya)	R 2 616 024.00
7	Paving of roads in Dullstroom and Sakhelwe phase 5 (Paving of Siyifunile Extension 02 road)	R2 000 000.00
8	Paving of roads around Emakhazeni Local Municipality Townships phase 2: (Mandela Elkie street in Siyathuthuka)	R 1000 000.00
9	Project Management Unit	R 861 600.00
TOTAL	R 17 232 000.00	



5.6 SOURCES OF FINANCE

Capital Expenditure Funding						
Details		2014/2015				
		Original Budget	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance: Capital						
	External loans	0	0	0	0.00%	0.00%
	Public contributions and donations	-	-	8,161,303	0.00%	-
	Grants and subsidies	16,370,400	16,370,400	14,751,864	0.00%	90.11%
	Other	897,000	701,200	33,163	-27.92%	4.73%
Total		17,267,400	17,071,600	22,946,330	-28%	95%
Percentage of finance						
	External loans	0.0%	0.0%	0.0%	0.0%	0.0%
	Public contributions and donations	0.0%	0.0%	35.6%	0.0%	-
	Grants and subsidies	94.8%	95.9%	64.3%	0.0%	95.0%
	Other	5.2%	4.1%	0.1%	100.0%	5.0%
Capital expenditure						
	Water and sanitation	11,370	10,753	13,195	-5.43%	16.05%
	Electricity	-	-	3,367	0.00%	-
	Housing	0	0	0	0.00%	0.00%
	Roads and storm water	5,000	5,616	4,613	12.32%	-7.75%
	Other	897	703	1,772	-21.67%	97.58%
Total		17,267,400	17,071,600	22,946,330	-15%	106%
Percentage of expenditure						
	Water and sanitation	65.8%	63.0%	57.5%	36.7%	15.2%
	Electricity	0.0%	0.0%	14.7%	0.0%	-
	Housing	0.0%	0.0%	0.0%	0.0%	0.0%
	Roads and storm water	29.0%	32.9%	20.1%	-83.3%	-7.3%
	Other	5.2%	4.1%	7.7%	146.6%	92.2%



COMMENT ON SOURCES OF FUNDING:

In 2014/15 MIG, internal funds and donations were the source of Capital assets. It should be noted that the full 100% of MIG capital funds have been spent as the budget amount represents (assets and retention) while the actual only represents the assets. The assets received as donation was received from Nkangala District Municipality.

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

1	Water supply in rural areas phase 6	R 3 000 000.00
2	Madala Township: Provision of water for 500 stands	R 3 216 457.71
3	Madala Township: Provision of waterborne sanitation for 500 stands	R 2 270 435.28
4	Paving of roads around Emakhazeni Local Municipality Townships phase 2: (Road 1 Emgwenya)	R 2 616 024.00
5	Paving of roads in Dullstroom and Sakhelwe phase 5 (Paving of Siyifunile Extension 02 road)	R2 000 000.00

COMMENT ON CAPITAL PROJECTS:

These were biggest five project of the municipality for the 2014/15 financial year and they were funded through the Municipal Infrastructure Grant

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

The municipality continues to improve on the backlogs on basic service delivery. Currently, on the 15201 households, only 4% is still without basic service level water provision, 17% without basic service level sanitation, 17.9% without electricity supply, 19.4% without refuse removal services and of the 1 158 640m of road infrastructure only 512 814m remains as road backlogs, this represents 44% of the gravel roads still to be surfaced.

Service Backlogs as at 30 June 2015				
	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water	14579	96	622	4
Sanitation	12689	83	2512	17
Electricity	12472	82	2729	18
Roads	645825	56	512814	44
Waste management	12254	81	2947	19
Housing		%		%
% HHs are the service above/below minimum standard as a proportion of total HHs. 'Housing' refers to * formal and ** informal settlements.				

COMMENT ON BACKLOGS:

Of the R17 232 million MIG allocation, 32.5% was used to deal with the road backlogs, 925m of gravel road was paved. The rest of the allocation was used for water and sanitation. R 7 509 491 was used to deal with water backlogs, this represents 43.6% of the budget whilst R 3 255 162.03 was utilized to deal with sanitation backlogs, this represents 18.8% of the budget. The current funding model makes it difficult for the municipality to deal with backlogs decisively hence the pace of the reduction of the backlogs on service delivery is very slow. The municipality has more challenges with the current infrastructure that needs refurbishment and upgrading which is difficult to deal with in the current budget allocation as per the funding model.

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

Emakhazeni Local Municipality has prepared its cash flow statement as per the GRAP standards and such was audited by the office of the Auditor General and it was part of the disclaimer items,

5.9 CASH FLOW

Cash Flow Outcomes			
Description	Current: Year 2014/2015		
	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Ratepayers and other	144,943,805	138,168,483	95,812,805
Government - operating	46,402,333	46,402,333	44,855,063
Government - capital	17,232,000	17,232,000	17,232,000
Interest	216,240	264,000	380,058
Dividends	-	-	-
Payments			
Suppliers and employees	-171,616,674	-167,708,912	-130,836,353
Finance charges	-1,537,000	-1,937,000	-4,080,324
Transfers and Grants	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	35,640,704	32,420,904	23,363,249
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Proceeds on disposal of PPE	204,000	204,000	1,576,400
Decrease (Increase) in non-current debtors	-	-	-
Decrease (increase) other non-current receivables	-	-	-
Decrease (increase) in non-current investments	-	-	-
Payments			
Capital assets	-17,267,400	-17,267,400	-22,946,330
NET CASH FROM/(USED) INVESTING ACTIVITIES	-17,063,400	-17,063,400	-21,369,930
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
Short term loans	-	-	-
Borrowing long term/refinancing	-	-	-
Increase (decrease) in consumer deposits	-62,400	-62,400	-
Movement in long service awards	-	-	353,000
Payments			
Repayment of borrowing	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES	-62,400	-62,400	353,000
NET INCREASE/ (DECREASE) IN CASH HELD	18,514,904	15,295,104	2,346,319
Cash/cash equivalents at the year begin:	-39,879,205	-39,879,205	4,290,042
Cash/cash equivalents at the year end:	-21,364,301	-24,584,101	6,636,361

COMMENT ON CASH FLOW OUTCOMES:

All variance above 15% are explained below:

1. Ratepayers and others: The variance is attributable due to the fact that no budget was provided for the adjustment to profit/loss and adjustment to working capital, which resulted the budget being higher than the actual amount.

2. Interest income: The variance is due to the actual amount of interest earned being more than budgeted amount as more deposit into bank deposit accounts were made than what was anticipated.
3. Supplier and employee cost: The variance is high vacancy rate and no budget was provided for the adjustment to profit/loss and adjustment to working capital, which resulted the budget being higher than the actual amount.
4. Finance cost: The variance is due to the amount of interest paid to creditors being higher than what was anticipated, as a result of the cash flow constrains the municipality is experiencing.
5. Purchase of PPE: The variance is attributable to the fact that no budget was provided for the donations received.
6. Disposal of PPE: The variance is attributable due to the fact that a lower amount was budgeted than the actual amount at year end.
7. Movement in long service award: The variance is due to no amount budget for the movement in long service awards.

5.10 BORROWING AND INVESTMENTS

Municipal Investments			
Investment* type	Actual 2012/2013	Actual 2013/2014	Actual 2014/2015
Municipality			
Securities - National Government	-	-	-
Listed Corporate Bonds	-	-	-
Deposits - Bank	5,539,759.00	4,013,361.66	5,719,848.00
Deposits - Public Investment Commissioners	-	-	-
Deposits - Corporation for Public Deposits	-	-	-
Bankers Acceptance Certificates	-	-	-
Negotiable Certificates of Deposit - Banks	-	-	-
Guaranteed Endowment Policies (sinking)	-	-	-
Repurchase Agreements - Banks	-	-	-
Municipal Bonds	-	-	-
Other	-	-	-
Municipality sub-total	5,539,759.00	4,013,361.66	5,719,848.00

COMMENT ON BORROWING AND INVESTMENTS:

In 2014/15 no Borrowings were repaid or entered into by the municipality.

In 2014/15 no long or short term investment were redeemed or invested by the municipality. The municipality only has deposit bank accounts used to earn interest on cash.

5.11 PUBLIC PRIVATE PARTNERSHIPS

PUBLIC PRIVATE PARTNERSHIPS

The municipality did not enter into any PPP during the 2014/2015 financial year.

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

The Council has developed a Supply Chain Management (SCM) Policy and practices in compliance with the guidelines set down by the Supply Chain Management Regulations, 2005, which was approved with effect from 1 March 2006. The new Preferential Procurement Regulations, 2011, with effect from 7 December 2011 was incorporated in the reviewed policy to be effected in (2015/16) and adopted. The SCM Policy incorporating the abovementioned regulations, as well as all other relevant legislation, regulations and circulars and are annually reviewed with the budget process.

The municipality has established the three (3) bid committee system. No councillors are members of any committee of the committees handling supply chain processes.

The supply chain officials are currently attending accredited training modules to meet the requirements of the minimum competency levels. Two senior and middle management supply chain officials are yet to complete the necessary competency levels.

5.13 GRAP COMPLIANCE

GRAP COMPLIANCE

GRAP is the acronym for Generally Recognized Accounting Practice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications.

The following standards and interpretations were adopted during the year:

- GRAP 25 – Employee benefits
- GRAP 3 – Amendments to change in accounting estimates and errors
- GRAP 9 – Revenue from Exchange Transactions (Traffic Fines)
- GRAP 12 – Amendments to Inventories measurement
- GRAP 13 – Amendments to disclosure requirements of leases.
- GRAP 16 – Amendments to definitions, measurement and recognition of Investment Property.

The municipality now fully complies to all the required GRAP standards as the Asset Register for the financial year 2014/15 has been started afresh and would form the basis of the Municipal Asset Register going forward, following the new methodology that has been applied.

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

INTRODUCTION

It is the responsibility of Management to ensure that Annual Financial Statements of Emakhazeni Local Municipality fairly present financial position of the municipality. The presented Annual Financial Statements consist of the following:

1. Statement of Financial Position
2. Statements of Financial Performance
3. Statements of Changes in Net Assets
4. Cash Flow Statements
5. Statements of Comparison of Budget and Actual Amounts
6. Accounting policies
7. Notes to the Financial Statements.

The submission of the above Annual Financial Statements is in compliance with section 126 of Municipal Financial Management Act, Act No 56 of 2003.

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2014/15

AUDITOR GENERAL REPORT ON THE FINANCIAL STATEMENTS 2014/15

Auditor's report

Emakhazeni Local Municipality

30 June 2015

Report of the auditor-general to the Mpumalanga Provincial Legislature and the council on the Emakhazeni Local Municipality

Report on the financial statements

Introduction

1. I have audited the financial statements of the Emakhazeni Local Municipality set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2015, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA), the Companies Act of South Africa, 2008 (Act No. 71 of 2008) and the Division of Revenue Act of South Africa, 2014 (Act No. 10 of 2014), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

3. My responsibility is to express an opinion on the financial statements based on conducting the audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the general notice issued in terms thereof and International Standards on Auditing. Because of the matters described in the basis for disclaimer of opinion paragraphs, however, I was unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for disclaimer of opinion

Revenue from exchange transactions

4. In terms GRAP 23, *Revenue from exchange transaction*, the municipality is required to recognise revenue from the rendering of service when it can be estimated reliably. Contrary to this requirement some meter readings performed during the current year, relating to electricity and water were not captured on the billing system, while some were not captured accurately. This resulted in misstatements of R22 253 058 and R8 412 622 to revenue from sale of electricity and water respectively. Consequently service charges stated at R63 276 919 (2013-14: R64 889 931) in the statement of financial performance and receivable from exchange transaction stated at R 77 784 442 (2013-14: R23 749

429) in the statement of financial position are misstated. Additionally, there was a resultant impact on the surplus for the period and on the accumulated surplus.

5. The municipality did not charge interest on long-overdue debts as per their policy. I was unable to determine the amount of interest to be charged on long-outstanding debts by alternative means. Consequently interest received revenue and receivable from exchange transactions stated at R 77 784 442 (2013-14: R23 749 429) in the statement of financial position are misstated. Additionally, there was a resultant impact on the surplus for the period and on the accumulated surplus.

Revenue from non-exchange transactions

6. The municipality did not bill some of the property owners included on the valuation roll and did not include all the properties that had been improved on the valuation roll. Furthermore, incorrect rates were used in calculating the property rates revenue. I was unable to determine the extent of this misstatement, as it was impracticable to do so. Consequently property rate revenue stated at R16 928 257 (2013-14: R32 072 145) in the statement of financial performance and receivable from non- exchange transaction stated at R3 999 128 (2013-14: R11 315 637) are misstated. Additionally, there was a resultant impact on the surplus for the period and on the accumulated surplus.

Property plant and equipment

7. In terms of GRAP 17 *Property, plant and equipment*, an entity shall recognise items of property, plant and equipment that qualify for recognition as assets in the financial statements. Contrary to this requirement, selected assets still in use could not be traced to the fixed asset register. I was unable to quantify the extent of this misstatement, as it was impracticable to do so.
8. I was unable to obtain sufficient appropriate evidence to support the value of assets included in property, plant and equipment due to the non-submission of information. I was unable to confirm this by alternative means. Furthermore, the municipality restated the corresponding figure for their property, plant and equipment by R628 927 264. This restatement could not be supported by appropriate evidence. I was not able to determine the correctness of the restatement by alternative means, as the municipality's systems did not permit the application of alternative procedures.
9. Consequently, I was unable to determine whether any adjustment was necessary to the corresponding figure for assets of R601 551 545 (2013-14: R621 261 077) disclosed in note 4 to the financial statements.

Provisions

10. I was unable to obtain sufficient appropriate audit evidence regarding adjustments made to prior year provisions amounting to R8 165 614, as the municipality did not provide supporting documentation in this regard. I was unable to confirm the balance by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary relating to provisions amounting to R38 642 585 disclosed in note 13 to the financial statements.

Cash flow statement

11. The municipality incorrectly calculated the receipts from sale of goods and services resulting in a difference of R32 323 924. Consequently, the cash from operating activities stated at R17 131 346 is misstated.

Commitments

12. I was unable to obtain sufficient appropriate audit evidence regarding commitments, as the municipality did not provide documentation to support the commitments amount. I was unable to confirm the balance by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary relating to commitments amounting to R12 428 691 disclosed in note 36 to the financial statements.

Irregular expenditure

13. In terms of section 125 of the MFMA, the notes to the financial statements of a municipality must include any material irregular expenditure incurred during the current year. Contrary to this requirement, irregular expenditure amounting to R14 269 007 was not disclosed in the financial statements of the municipality. Consequently, the irregular expenditure amounting to R7 453 352 disclosed in note 43 to the financial statements is understated.

Debt impairment

14. In terms of GRAP 104, financial instrument, an entity is required to assess individually significant financial assets for impairment where they are indicators of impairment and collectively assess insignificant financial assets with group of assets with similar credit characteristics. Contrary to this requirement the municipality applied similar rate of impairment for their debtors regardless of their credit characteristics. I was unable to obtain sufficient appropriate audit evidence to support whether the debt impairment was calculated in terms of GRAP 104, as the municipality was unable to provide supporting documents in this regard. I was unable to confirm the balance by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary relating to debt impairment amounting to R32 363 924 (2013-14: -R 31 304 359) disclosed in note 27 to the financial statements.
15. Because of the significance of the matters described in the basis for disclaimer of opinion paragraphs, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the financial statements.
16. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Restatement of corresponding figures

17. As disclosed in note 39 to the financial statements, the corresponding figures for 30 June 2014 have been restated as a result of an error discovered during 2014-15 in the financial statements of the municipality at, and for the year ended, 30 June 2014.

Material impairments

18. As disclosed in notes 9 and 10 to the financial statements, the receivables balance was significantly impaired. The impairment of consumer debtors amounted to R58 048 57 (2013-14: R90 456 581), which represented 42% (2013-14: 73%) of total debtors. The contribution to the provision for debt impairment was R32 408 424 (2013-14: R31 225 458).

19. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Unaudited disclosure notes

20. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA. These disclosure requirements included under notes 24 and 25 did not form part of the audit of the financial statements and, accordingly, I do not express an opinion thereon.

Unaudited supplementary schedules

21. The supplementary information set out on pages ... to ... does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.
22. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected development priorities presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading, but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.
23. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected development priority presented in the annual performance report of the municipality for the year ended 30 June 2015:

Development priority 1: service delivery and infrastructure development, on pages ... to ...

25. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned development priority. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's *Framework for managing programme performance information* (FMPPI).
26. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
27. The material findings in respect of the selected development priority are as follows:

Service delivery and infrastructure development

Usefulness of reported performance information

28. Section 41(c) of the Municipal Systems Act of South Africa, 2000 (Act No. 32 of 2000) (MSA) requires the integrated development plan to form the basis for the annual report, therefore requiring consistency of objectives, indicators and targets between planning and reporting documents. A total of 25% of the reported targets were not consistent with those in the approved annual performance, integrated development and service delivery and budget implementation plans. This was due to a lack of monitoring and review by management.
29. The processes and systems that produced the indicator should be verifiable, as required by the FMPPI. Significantly important indicators and targets in relation to service delivery were not verifiable. This was because management did not adhere to the requirements of the FMPPI due to a lack of proper systems and processes.

Reliability of reported performance information

30. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. I was unable to obtain the information and explanations I considered necessary to satisfy myself as to the reliability of the reported performance information. This was because the municipality could not provide sufficient appropriate evidence in support of the reported performance information and their records not permitting the application of alternative audit procedures.

Additional matter

31. I draw attention to the following matter:

Achievement of planned targets

32. Refer to the annual performance report on pages ... to ... for information on the achievement of planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information for the selected development priority reported in paragraphs 29 to 31 of this report.

Compliance with legislation

33. I performed procedures to obtain evidence that the municipality had complied with applicable legislation regarding financial matters, financial management and other related matters. My material findings on compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:
34. The municipality did not establish a performance management system, as required by section 38(a) of the MSA.
35. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements identified by the auditors in the submitted financial statements were not adequately corrected and the supporting records could not subsequently be provided, which resulted in the financial statements receiving a disclaimer of audit opinion.
36. Goods and services with a transaction value below R200 000 were procured without obtaining the required price quotations, contrary to supply chain management (SCM) regulation 17(a) and (c).
37. Awards were made to bidders other than those recommended by the bid evaluation committee without ratification by the accounting officer, contrary to SCM regulation 29(5)(b).
38. Contracts were awarded to bidders that did not score the highest points in the evaluation process, contrary to section 2(1)(f) of the Preferential Procurement Policy Framework Act of South Africa, 2000 (Act No. 5 of 2000) (PPPFA).
39. Contracts were awarded to bidders based on preference points that had not been allocated and calculated in accordance with the requirements of the PPPFA and its regulations.
40. Contracts were extended without tabling the reasons for the proposed amendment in the council of the municipality, contrary to section 116(3) of the MFMA.
41. Persons in the service of the municipality whose close family members had a private or business interest in contracts awarded by the municipality failed to disclose such interest, as required by SCM regulation 46(2)(e).
42. The manager: Technical Services, manager: Planning and Development, and manager: Corporate Services were appointed without having met the prescribed minimum competency levels, contrary to section 54A(2) of the MSA.

43. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.
44. Reasonable steps were not taken to prevent irregular as well as fruitless and wasteful expenditure, as required by section 62(1)(d) of the MFMA.
45. An effective system of internal control for debtors and revenue was not in place, as required by section 64(2)(f) of the MFMA.
46. An effective system of internal control for assets (including an asset register) was not in place, as required by section 63(2)(c) of the MFMA.
47. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the disclaimer of opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.
48. Although the accounting officer exercised some oversight responsibility regarding financial and performance reporting, compliance and related internal controls, the financial statements and annual performance report submitted for auditing contained material misstatements. Furthermore, the developed action plan was not adhered to and areas of concern were not addressed as required.
49. Controls over daily and monthly processing and reconciliations were not implemented, resulting in inaccurate and incomplete financial statements and a performance report that were not supported by reliable supporting information.
50. The internal audit unit and the audit committee operated effectively during the current period as per their legislated mandate. Recommendations were made to management on improvements to the internal controls to ensure reliable reporting of both financial and performance information as well as compliance with legislation. However, this did not result in an improvement in the controls due to management not implementing the recommendations, which led to my adverse assessment of the impact of this unit and committee.

Auditor-General

Mbombela

17 December 2015



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

COMMENTS ON AUDITOR-GENERAL'S OPINION 2008/09:

The municipality has received a disclaimer audit opinion , and we have already developed an action plan to deal with all the issues raised by the office of the Auditor General,. The municipality has established the clean audit committee to monitor the implementing of the action plan.

COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES:

Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief financial officer states that these data sets have been returned according to the reporting requirements.

Signed (Chief financial Officer)..... Dated

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance					
Council Members	Fulltime /Part Time	Committees Allocated	Ward and/or party represented	Percentage Council meeting Attendance(16 Meetings held)	Percentage apologies for non-attendance
				%	%
X.S. Ngwenya	Full Time	Chairperson: Mayoral Committee	PR	13(81%)	3/3(100%)
M. Kambula	Full Time	Speaker; Council	1	15(93%)	1/1(100%)
N.A. Mashele	Full Time	Chairperson: Corporate Services Section 80	5	14(87.5%)	2/1(50%)
E.S. Radebe	Full Time	Chairperson: Finance & Economic Affairs Section 80	3	15(93%)	1/1(100%)
M.U. Hadebe	Full Time	Chairperson: Technical & Community Services Section 80	4	14(87.5%)	2/2(100%)
X.D. Masina	Part Time	Chairperson : Municipal Public Accounts Committee	PR	11(69%)	5/5(100%)
M. P. Ntuli	Part Time	Member: Finance & Economic Affairs Section 79, Member of the Corporate Services Section 79	2	15(100%)	
C.N. Nkosi	Part Time	Member: Finance & Economic Affairs Section 79, Member of the Corporate Services Section 79	PR	16(100%)	
J.J. Stevens	Par& Time	Chairperson: Technical & Community Services Section 79	8	15(93%)	1/1(100%)
R.B. Mashele	Part Time	Chairperson: Corporate Services Section 79	PR	11(69%)	5/4(80%)
S.P. Gwebu	Part Time	Chairperson Corporate Services Section 79, Member of the Technical & Community Services Section 79	6	14(87.5%)	2/1(50%)
C.V. Lello	Part Time	Member: Finance & Economic Affairs Section 79	PR	15(93%)	1/1(100%)
A.A. Botha	Part Time	Member: Corporate Services Section 79	PR	14(87.5%)	2/2(100%)
S.M. Mondlane	Part Time	Chairperson: Finance & Economic Affairs Section 79, Member of the Corporate Services Section 79	7	15(93%)	1/1(100%)
S.B. Mabuza	Part Time	Member: Finance & Economic Affairs Section 79	PR	15(93%)	1/1(100%)

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral Committee/Executive Committee) and purposes of Committees	
Municipal Committees	Purpose of Committee
Section 80 Committees	To discuss and consider items submitted by Administration and Councillors and make recommendations to the Mayoral Committee
Section 79 Committees	To monitor and play an oversight role on the implementation of Council resolutions.
Municipal Public Accounts Committee	To play an oversight role as per the guideline for Municipal Public Accounts Committee
Rules and Ethics Committee	To investigate and report to Council any suspected breaches of Code of Conduct by Councillors
Joint Audit Committee	
Risk Management Committee	The responsibility of the Risk Management Committee is to lay an oversight role on the implementation of remedial actions on risks identified.
Budget Steering Committee	

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE AS AT 30 JUNE 2015

Third Tier Structure		
Directorate	Title	Name
Office of the Municipal Manager	Municipal Manager	Vacant
	Deputy Manager : Public Participation	Mr. F.L. Khumalo
	Manager: Office of the Executive Mayor	Mr. Z.S. Ntimane
	Senior Internal Auditor	Mrs. D.E. Ntshwane
	Risk Management Officer	Mr. A.M. Shabangu
	Performance Management Officer	Mr. Z.G. Nkambule
	Youth Manager	Ms. P. J. Shongwe
	Transversal Issues Co-ordinator	Vacant
Planning and Development	Manager Planning and Development	Mr. L.D. Mkhonza
	Deputy Manager: LED/IDP	Mr. N.M. Moleleki
	Deputy Manager: Urban and Rural Development	Mr. W.M. Mtshweni
Financial Services Department	Chief Financial Officer	Mrs. M.M. Ngwenya
	Deputy Manager: Budget and Financials	Mrs. C. Nel
	Deputy Manager: Expenditure	Vacant
	Deputy Manager: Income	Vacant
	Deputy Manager: Supply Chain Management	Mr. K.T. Mahlangu
Technical Services Department	Manager Technical Services	Mr. L.O. Sindane
	Service Delivery Manager: Entokozweni & Emgwenya	Vacant
	Service Delivery Manager: Dullstroom & Emakhazeni	Mr. C.B. Nkosi
	Deputy Manager: PMU	Mr. M. Munendevunyi
	Deputy Manager: Electrical Services	Vacant
Community Services Department	Manager Community Services	Mrs. N. Singh
	Deputy Manager: Licensing	Mr. L. Oosthuizen
	Deputy Manager: Enforcement, Security and Public Safety	Mr. V.S.H. Mnisi
Corporate Services Department	Manager Corporate Services	Mr. M.I. Abdullah
	Deputy Manager: Legal Services	Vacant
	Deputy Manager: Labour Relations and Compliance	Mr. M.J. Sibanyoni
	Deputy Manager: HR, Records, Admin and Logistics	Mrs. S. Matsane
	Deputy Manager: ICT	Mr. N. Carroll

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

MUNICIPAL/ENTITY FUNCTIONS		
MUNICIPAL FUNCTIONS	FUNCTION APPLICABLE TO MUNICIPALITY(YES/NO)	FUNCTION APPLICABLE TO ENTITY
		YES/NO
Air pollution	Yes	No
Building regulations	Yes	No
Child care facilities	No	No
Electricity and gas reticulation	Yes	No
Firefighting services	Yes	No
Local tourism	Yes	no
Municipal airports	No	No
Municipal planning	Yes	No
Municipal health services	Yes	No
Municipal public transport	No	No
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this constitution or any other pontoons, ferries, jetties, piers and harbours excluding the regulation of international and nationally shipping and matters related to stormwater management systems in built up areas	Yes	No
Trading regulations, limits to water supply systems and domestic waste water and sewage disposal systems	Yes	No
water and sanitation services	Yes	No
Beaches and amusement facilities	No	No
Billboards and the display of advertisements in public places	No	No
Cemeteries, funeral parlours and cremations	Yes	No
Cleansing	Yes	No
Control of public nuisances	Yes	No
Control of undertakings that sell liquor to the public	Yes	No
Facilities for the accommodation, care and burial of animals	No	No
Fencing and fences	No	No
Licensing of dogs	No	No
Licensing and control of undertakings that sell food to the public	Yes	No
Local amenities	Yes	No
Local sport facilities	Yes	No
Markets	No	No
Municipal abattoirs	No	No
Municipal parks and recreation	Yes	No
Municipal Roads	Yes	No
Noise pollution	Yes	No
Pounds	Yes	No
Public places	Yes	No
Refuse removal, refuse dumps and solid waste disposal	Yes	No
Street Trading	Yes	No
Street lighting	Yes	No
Traffic and parking	Yes	No

APPENDIX E – WARD REPORTING

Name of ward (number)	name of ward councillor and elected ward committee members	committee established (yes/no)	number of monthly committee meetings held during the year	number of monthly reports submitted to speaker office on time	number of quarterly public ward meetings held during year
01	M. Kambula	yes	7	7	3
02	P. Ntuli	yes	9	9	9
03	ES Radebe	yes	8	8	5
04	RB Mashele	yes	3	3	2
05	NA Mashele	yes	3	3	2
06	Gwebu	yes	5	5	4
07	M Mondlane	yes	6	6	1
08	JJ Stevens	yes	1	1	1

APPENDIX F – WARD INFORMATION

ELECTED WARD COMMITTEE MEMBERS AND MEETINGS ATTENDED

WARD 1

WARD COUNCILLOR: Maria Kambula

NO	NAMES	
1	Mduduzi Khumalo	
2	David Shabangu	
3	Paulinah Monate	
4	Amos Masina	
5	Busi Nkosi	
6	Busi Mhlabane	
7	Thembani Madonsela	
8	Esther Mahlangu	
9	Mbongeni Ndlovu	

WARD 2

WARD COUNCILLOR: Petros Michael Ntuli

NO	NAMES	
1	Joe Kabini	
2	Sarie Zimu	
3	Senzi Mahlangu	
4	Paulinah Maredi	
5	Sizwe Mahlangu	
6	Martha Mtsweni	
7	Jacky Mabila	
8	Bheki Sibanyoni	
9	Petros Uduli	

WARD 3

WARD COUNCILLOR: Emily Sonto Radebe

NO	NAMES	CONTACTS
1	Betty Ngwenya	
2	Surprise Zimu	
3	Isaac Mathibela	
4	Gugu Mazibuko	
5	Nomsa Mnisi	
6	Nomsa mahlangu	
7	Nelly Maimela	
8	Sidwell Zimu	
9	Tony Skhosana	

WARD 4

WARD COUNCILLOR: Robert Bheki Mashele

NO	NAMES	
1	Thomas Masilela	
2	Bathabile Thobela	
3	Iris soko	
4	Rebone Maimela	
5	Sophy Skhosana	
6	Steven Jele	
7	Maria Skosana	
8	Esther Mabuza	
9	Collen Makua	

WARD 5

WARD COUNCILLOR: Nomhle Adelaide Mashele

NO	NAMES	
1	Nonhlanhla Nkosi	
2	William Dlamini	
3	Wilkies shabalala	
4	Mary Ntakwende	
5	Sonto Maphanga	
6	Juliet Mahlangu	
7	Danisile Maseko	
8	Zanele Mashabalo	
9	Sonto Malaza	

WARD 6

WARD COUNCILLOR: Sbongile Princess Gwebu

NO	NAMES	
1	Carlifonia Nkosi	
2	Vusi Skhosana	
3	Lucas Andries Dladla	
4	Grace Nkosi	
5	Magreth Nkosi	
6	Aaron Shoba	
7	Alfred Maphanga	
8	Fannie Masuku	
9	Terence Burke	

WARD 7

WARD COUNCILLOR: Sufficient Mfundo Mondlane

NO	NAMES	
1	Sunnyboy Mathebula	
2	Sabelo Ncongwane	
3	Suprize Vilakazi	
4	Gert Lombard	
5	Paulos Skosana	
6	Dikeledi Baloyi	

WARD 8

WARD COUNCILLOR: John Stevens

NO	NAMES	
1	Siyaphi Mthimunya	
2	Finah Makua	
3	Brenda Shoba	
4	Sphiwe Malomane	
5	Thandiwe Scheefers	
6	Nollen Nkosi	
7	Phumzile Mthimunya	
8	Sbusiso Masango	

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2014/2015

DISCUSSION ITEM	OBSERVATION	IMPLICATION	RECOMMENDATION
Financial Report	Long outstanding debts	Failure to achieve set objectives Delay in service delivery	The municipality should put in place internal controls which will fasten the management and collection of debts.
	Low revenue collection	Failure to achieve set objectives Delay in service delivery	The municipality should consider the implementation and enforcement of the Revenue Enhancement Strategy
Internal Audit	Delays in the implementation of AG findings	Failure in internal control resulting in a negative audit outcome	Management should ensure that all findings are addressed within the specified timeframes.

DISCUSSION ITEM	OBSERVATION	IMPLICATION	RECOMMENDATION
First Quarter Performance Report	Targets for the first quarter were not achieved.	Delay in service delivery.	Management should ensure that steps are taken to improve performance with regard to those development priorities and objectives where performance targets are not met as required by Section 41(1)(d) of the Municipal System Act No. 32 of 2000.
Risk Management	Inaccurate control effectiveness.	Inability to manage risk exposures which may hamper the achievement of the municipal objectives.	Management should request Provincial Treasury to assist the municipality with the risk assessment.
Litigation Report	Outdated asset register.	Renting of facilities which does not belong to the Municipality.	Management should ensure proper and effective asset management thus enhancing the reliability of the Asset Register.
Information and Communication Technology	ICT reports were presented to the Audit Committee	ICT Governance	The Audit Committee noted the reports
Financial Report	Reports not in line with Section 71.	Difficulties in interpreting the financial reports thus affecting the ability of the audit committee to make inputs and advise accordingly.	Management should prepare financial reports which are user friendly and easy to interpret to allow optimal review by the Audit Committee.
Internal Audit	Recurring Auditor-General Findings.	Failure in internal control resulting in a negative audit outcome	Management should develop and action plan and ensure that all findings are addressed.
Second Quarter Performance Report	Targets for the Second quarter were not achieved.	Delay in service delivery.	Management should ensure that steps are taken to improve performance with regard to those development priorities and objectives where performance targets were not met as required by Section 41(1)(d) of the Municipal System Act No. 32 of 2000.

DISCUSSION ITEM	OBSERVATION	IMPLICATION	RECOMMENDATION
Risk	Risk Management	Risk	The Audit Committee
Management	reports were presented to the Audit Committee.	Governance.	noted the reports.
HR Reports	High Vacancy Rate.	Negative impact on the effectiveness and efficiency of Municipal operations.	Management should put in place controls that will enable the municipality to fill vacant posts immediately.
Litigation Report	The litigation report was presented to the Audit Committee.	Disclosure of Contingent Liabilities in the Annual Financial Statements.	Management should ensure proper asset management and maintain an accurate and reliable asset register.
Information and Communication Technology	ICT reports were presented to the Audit Committee.	ICT Governance.	The Audit Committee noted the reports.
Financial Report	Capital expenditure is low Non spending on Grants 23 million Eskom debt	Delays in service delivery	Management should put in place acceleration plans which will improve the municipal capital expenditure and spending on grants. Action plans should be developed to mitigate the electricity debt with Eskom
Asset Register	Delay in the compilation of the asset register	Auditor-General Findings resulting in a negative audit opinion	Management together with the service provider should ensure that an accurate, complete and reliable asset register is compiled before year-end. Management should further ensure that it understands the methodology applied by the service provider in the valuation of assets. Management should arrange the meeting with the service provider and the Audit Committee to get more insight into the

DISCUSSION ITEM	OBSERVATION	IMPLICATION	RECOMMENDATION
			progress of the project.
Revenue Enhancement	Draft Revenue enhancement strategy is in place Provision for data cleansing made by Nkangala District Municipality	Delays in the implementation of the revenue enhancement strategy. Maintaining of a complete and accurate customer database and an improved customer billing resulting in revenue enhancement.	Management should ensure that the revenue enhancement strategy is submitted to Council for approval and implement it to improve the Municipal revenue.
Supply Chain Management Implementation report	Contracts above R200 000 are placed on the Municipal Website	Compliance with MFMA	The Audit Committee noted the report and encourages further compliance to the MFMA as this is good practice.
Third Quarter Performance Report	Targets for the third quarter were not achieved.	Delay in service delivery.	Management should ensure that steps are taken to improve performance with regard to those development priorities and objectives where performance targets are not met as required by Section 41(1)(d) of the Municipal Systems Act No. 32 of 2000.
Integrated Development Plan for 2015/16 Financial Year	Integrated Development Plan for 2015/16 Financial Year was adopted	Compliance with the MSA	The Audit Committee noted the report and encourages further compliance to the MSA as this is good practice. In future, management should present the IDP to the Audit Committee before it is adopted by the Council.
Vacancy rate report	Posts not filled	Negative impact on the effectiveness and efficiency of Municipal operations.	Management should put in place controls that will enable the municipality to fill vacant funded posts immediately in view of high rate of unemployment.

DISCUSSION ITEM	OBSERVATION	IMPLICATION	RECOMMENDATION
Litigation Report	The litigation report was presented to the Audit Committee.		Management should ensure that contingency liability is accounted for in the financial statements.
Implementation of Council Resolutions	The report on the implementation of Council Resolutions was presented to the Audit Committee.	Effectiveness and efficiency of the municipality	Management should indicate which resolutions have been implemented and which ones are still outstanding and ensure that they are resolved.
MPAC Oversight Report	The MPAC Oversight report was presented to the Audit Committee	Good Corporate Governance	The Audit Committee noted the report.
Information and Communication Technology Report	Ageing of the server	ICT Governance	Management should ensure that the 2013/14 Auditor General findings are addressed.
Internal Audit Charter 2015/16 Financial Year	The Internal Audit Charter was presented to the Audit Committee	Compliance to the International Professional Practices Framework	The Internal Audit Charter was approved.
Internal Audit Methodology 2015/16 Financial Year	The Internal Audit Methodology was presented to the Audit Committee	Compliance to the International Professional Practices Framework	The Audit Methodology was approved.
Amendments to the Risk Based Plan 2014/15 Financial year	Amendments to the Risk Based Plan were presented to the Audit Committee	Compliance to the International Professional Practices Framework	The Audit Committee approved amendments to the Risk Based Plan.
Internal Audit Progress Report	Internal Audit progress report was presented to the Audit Committee	Compliance to the MFMA and International Professional Practices Framework	Audit Committee noted the internal audit progress report.

APPENDIX H –SERVICE PROVIDER PERFORMANCE SCHEDULE

REPORT ON THE PERFORMANCE OF EXTERNAL SERVICE PROVIDERS

This section serves to evaluate the Service Provider's performance in respect of provisions of the contract and the product that the Service Provider delivered for all aspects of the project scope. The Evaluation criteria are based on a scale of 1-5 and each of aspects measured relate to the successful completion of the project. The evaluation score guide on the performance of the service providers is as follows:

5	Excellent	Performance far exceeds the standard expected of a service provider at this level. The review/assessment indicates that the Service Provider has achieved above fully effective results against all performance criteria and indicators as specified in the contract and scope of work and maintained this in all areas of responsibility throughout the term of contract.
4	Good	Performance is significantly higher than the standard expected in the job. The review/assessment indicates that the Service Provider has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the term of contract.
3	Average	Performance fully meets the standards expected in all areas of the job. The review/assessment indicates that the Service Provider has fully achieved effective results against all significant performance criteria and indicators as specified in the contract and scope of work.
2	Below Average	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review/assessment indicates that the Service Provider has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the contract and scope of work.
1	Unacceptable	Performance does not meet the standard expected for the job. The review/assessment indicates that the Service Provider has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the contract and scope of work. The Service Provider has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement.

COMMUNITY SERVICES DEPARTMENT

Service Provider	Project Name	Appointment Date	Contract Period	Budget Allocated	Budget Spent	Start Date	End Date	Progress By June 2015	Reasons For Variations (if Any)	Corrective Actions	Score (1-5)
MZWABONGI TRADING	MAINTENANCE OF LANDFILL SITES – EMGWENYA	01 August 2014	3 months	R129 000.00	R129 000.00 vat excl	01 August 2014	31 October 2015	Completed	-	-	3
JAKAZANI TRADING	MAINTENANCE OF LANDFILL SITES – Emakhazeni	01 August 2014	3 months	R144 000.00	R144 000.00 vat excl	01 August 2014	31 October 2015	Completed	-	-	3
JAKAZANI TRADING	MAINTENANCE OF LANDFILL SITES – DULLSTROOM	01 August 2014	3 months	R124 500.00	R124 500.00 vat excl	01 August 2014	31 October 2015	Completed	-	-	3
THE CURVE BEHIND TRADING	MAINTENANCE OF LANDFILL SITES – EMAKHAZENI	01 August 2014	3 months	R121 500.00	R121 500.00 vat excl	01 August 2014	31 October 2015	Completed	-	-	3
MAGORDEN PTY (LTD)	MAINTENANCE OF LANDFILL SITES – EMAKHAZENI	March 2015	5 days	R47 870.00	R47 870 vat excl	March 2015	March 2015	Completed	-	-	3
JAKAZANI TRADING	MAINTENANCE OF LANDFILL SITES – EMGWENYA (March 2015)	March 2015	5 days	R38 000.00	R38 000.00 vat excl	March 2015	March 2015	Completed	-	-	3
JAKAZANI TRADING	MAINTENANCE OF LANDFILL SITES – ENTOKOZWENI (March 2015)	March 2015	5 days	R42 000.00	R42 000.00 vat excl	March 2015	March 2015	Completed	-	-	3

Service Provider	Project Name	Appointment Date	Contract Period	Budget Allocated	Budget Spent	Start Date	End Date	Progress By June 2015	Reasons For Variations (if Any)	Corrective Actions	Score (1-5)
JAKAZANI TRADING	MAINTENANCE OF LANDFILL SITES – Dullstroom	27 May 2015	1 year	R514 200.00 vat exclusive	R42 000.00	27 May 2015	27 May 2016	In progress	Lack of equipments be the service provider	Service provider advised to lease equipments	2
TMT SERVICES AND SUPPLIES	PROVISION OF TRAFFIC MANAGEMENT SERVICES	31/03/2011	5 years	R5 100 000.00	R8 873 620.53	31/03/2011	31/03/2016	TMT law enforcement services in progress	-	-	4
MSHIKA SECURITY SERVICES	PROVISION OF SECURITY SERVICES	15 October 2012	2 years	R3 16 7604.00	R1 311 339.00	15 October 2012	30 November 2014	Completed	Incidents of theft reported under the supervision of the service provider	Financial penalties were imposed on the service provider	2
MAFOKO SECURITY SERVICES	PROVISION OF SECURITY SERVICES	01 December 2014	2 years		R1 553 079.00	01 December 2014	31 July 2015	Security Services were in progress	-	-	3

CORPORATE SERVICES DEPARTMENT

Service Provider	Project Name	Appointment Date	Contract Period	Budget Allocated	Budget Spent	Start Date	End Date	Progress By June 2015	Reasons For Variations (if Any)	Corrective Actions	Score (1-5)
MPUMALANGA COPIERS	SUPPLY & MAINTENANCE OF PHOTOCOPY MACHINES	16 NOVEMBER 2010	3 YEARS	R416 160.00	R121 840.00	16 NOVEMBER 200	30 AUGUST 2014	All machines maintained	Delays in finalizing supply chain processes	Supply chain processes were finalized and a new service provider was appointed on the 1 st of September 2014.	4

Service Provider	Project Name	Appointment Date	Contract Period	Budget Allocated	Budget Spent	Start Date	End Date	Progress By June 2015	Reasons For Variations (If Any)	Corrective Actions	Score (1-5)
SEARTEC	SUPPLY & MAINTENANCE OF PHOTOCOPY MACHINES	1 SEPTEMBER 2014	3 YEARS	R416 160.00	R230 535.65	01 September 2014	30 August 2017	all machines supplied and maintained	NONE	N/A	4
NOMASWAZI SHABANGU ATTORNEYS	LEGAL REPRESENTATION	19 FEBRUARY 2014	N/A	R1 200 000.00 R2 625 000.00 (BA)	R2 623 417.00	19 FEBRUARY 2014	ONGOING UNTIL RE-ADVERTISED	all litigations/legal cases were attended and reports were submitted	Unforeseen litigations and increase in legal costs (Insufficient Budget allocation)	Budget adjusted during adjustment budget	3
NYALUNGU MBUNGELA ATTORNEYS	LEGAL REPRESENTATION	27 AUGUST 2014	N/A	R1 200 000.00 R2 625 000.00 (BA)	R2 623 417.00	27 AUGUST 2014	ONGOING UNTIL RE-ADVERTISED	all litigations/legal cases were attended and reports were submitted	Unforeseen litigations and increase in legal costs	Budget adjusted during adjustment budget	3
NTULI NOBLE ATTORNEYS	LEGAL REPRESENTATION	2008	N/A	R1 200 000.00 R2 625 000.00 (BA)	R2 623 417.00	2008	ONGOING UNTIL RE-ADVERTISED	all litigations/legal cases were attended and reports were submitted	Unforeseen litigations and increase in legal costs	Budget adjusted during adjustment budget	3
TELKOM	SUPPLY & MAINTENANCE OF TELEPHONE SYSTEM	2000	ONGOING	R1 320 000.00 R1 750 000.00 (BA)	R1 719 714.24	2000	ONGOING	Telephones in good working condition	Budget insufficient	Budget adjusted during adjustment budget	3
OBSIDIAN	SUPPLY & MAINTENANCE OF EMAILS & INTERNET	1 AUGUST 2012	ONGOING	R203 000.00	R202 034.60	1 AUGUST 2012	ONGOING	Emails and internet in good working condition	N/A	N/A	4

FINANCIAL SERVICES DEPARTMENT

Service Provider	Project Name	Appointment Date	Contract Period	Budget Allocated	Budget Spent	Start Date	End Date	Progress By June 2015	Reasons For Variations (if Any)	Corrective Actions	Score (1-5)
Munsoft	Provision and Maintenance of Municipal Financial Accounting System	30 June 2005	Long-term	R 630 000.00	R 589 850.00	30 June 2005	When services are terminated	This is a long-term operational service and its progress as at 30 June 2015 was good as the system is fully functional	None	None	4
VIP Sage	Procurement of Software License for the Municipal Payroll	30 June 2005	Long-term		R 396 017.35	30 June 2005	When services are terminated	This is a long-term operational service and its progress as at 30 June 2015 was good as the system is fully functional	None	None	4
Maxprof	Municipal VAT review and submission of VAT 201 returns to SARS	29 March 2012	51 Months	Not allocated as they need to be paid based on what they have collected	R 4 182.60	29 March 2012	30 June 2016	This is an operational service which is conducted periodically on the Reviewing and submission of	None	None	4

Service Provider	Project Name	Appointment Date	Contract Period	Budget Allocated	Budget Spent	Start Date	End Date	Progress By June 2015	Reasons For Variations (If Any)	Corrective Actions	Score (1-5)
								VAT 201 returns to SARS when required and its progress as at 30 June 2015 was good			
Protea Coin	Provision of Cash Management Services – Cash-in-Transit	24 January 2014	12 Months	R 416 000.00	R 408 057.84	24 January 2014		Collection of cash from Municipal offices is done satisfactory and the progress was still good as at 30 June 2015	None	None	4
Utilities World	Vending of electricity and data hosting	13 March 2015	Month to Month		R 37 070.63	13 March 2015	When services are terminated	This project as being implemented by Utilities World was in good progress as at 30 June 2015	None	None	4
Magoveni Business Trust	Vending of electricity and	17 May 2013	36 Months	Not allocated as they need to be paid based on	R 176 828.84	17 May 2013	Contract terminated	Contract terminated	N/A	The new service provider was	2

Service Provider	Project Name	Appointment Date	Contract Period	Budget Allocated	Budget Spent	Start Date	End Date	Progress By June 2015	Reasons For Variations (If Any)	Corrective Actions	Score (1-5)
	data hosting			what they have collected						appointed to perform this function as the services of Magoveni was not satisfactory	
Uniqeoco	Compilation of general valuation roll and supplementary valuation roll	06 March 2015	12 Months	Not allocated as this was originally funded by NDM	R 299 999.00	06 March 2015	05 March 2016	This project as being implemented by Uniqeoco was in good progress as at 30 June 2015	None	None	4
AON	Insurance Broker	19 September 2012	60 Months		R 658 118.18	19 September 2012	17 May 2016	30% of the claims lodged are still on process and were not finalised as at 30 June 2015	Complex type of claims made which require assessments to be made by the underwriter	A bi-monthly meeting to be held in order to fast-track the process of resolving claims made	3
Magnavolt	Supply and Delivery, collect, Repair and Delivery of Electrical water and sewer motors and pumps for	05 November 2012	36 Months		R 187 228.82	05 November 2012	Contract expired	Good progress was made as at 30 June 2015	None	None	3

Service Provider	Project Name	Appointment Date	Contract Period	Budget Allocated	Budget Spent	Start Date	End Date	Progress By June 2015	Reasons For Variations (If Any)	Corrective Actions	Score (1-5)
	24 months										
Belfast Total Boutique	Supply of Fuel, Lubricants and Oils	01 February 2014	Month to Month Orders	R 5 572 028.00	R 2 254 627.26	14 August 2015	14 August 2015	Good progress was made as at 30 June 2015 as this is a continuous service required by the Municipality	None	None	5
Chem-tec Chemicals Services	Supply of water and Sewer Treatment Chemicals	24 June 2011	24 Months		R 1 712 569.71	24 June 2011	31 January 2014	Good progress was made as at 30 June 2015	None	None	4
Bhodo Construction	Supply and Delivery of personal protective clothing and Equipment at Emakhazeni Local Municipality	12 March 2015	Once-off		R 0	12 March 2015	30 August 2015	There was no progress in terms of PPE delivery as at 30 June 2015, hence there were no payments made at that time	Service provider had difficulties with their direct suppliers in as far as payments arrangements are concern	A cession agreement was entered into between the Municipality and Bhodo Construction`s direct suppliers (Productive Clothing) in order for them to	1

Service Provider	Project Name	Appointment Date	Contract Period	Budget Allocated	Budget Spent	Start Date	End Date	Progress By June 2015	Reasons For Variations (If Any)	Corrective Actions	Score (1-5)
										delivery and that the Municipality be directly pay them as such, after delivery	

TECHNICAL SERVICES DEPARTMENT

Service Provider	Project Name	Appointment Date	Contract Period	Budget Allocated	Budget Spent	Start Date	End Date	Progress By June 2015	Reasons For Variations (If Any)	Corrective Actions	Score (1-5)
ZMC CONSULTING	PAVING OF ROADS AROUND ELM PHASE 2: MANDELA ELKIE STREET	09 Oct 2014	2 Months	R 1 000 000.00 Vat incl.	R 998 957.84 Vat incl	15 October 2014	12 Dec 2014	100% Complete	None	None	5
NFM CONSULTING	EMTHONJENI EXT 4 & ENKANINI PROVISION OF WATERBOURNE SANITAION PHASE 1 (114 STANDS)	04 Sept 2014	3 Months	R 220 708.29 Vat incl	R 220 708.29 Vat incl	15 October 2014	25 Jun 2015	99% Complete	Contractor affected by municipal workers strike and late transfer of MIG	Notice to remedy breach sent to consultant.. Extension of time approved	3

Service Provider	Project Name	Appointment Date	Contract Period	Budget Allocated	Budget Spent	Start Date	End Date	Progress By June 2015	Reasons For Variations (If Any)	Corrective Actions	Score (1-5)
NFM CONSULTING	EMTHONJENI EXT 4 & ENKANINI PROVISION OF WATER FOR 800 STANDS PHASE 1 (114 STANDS)	04 Sept 2014	3 Months	R 236 744.26 Vat incl	R 236 744.26 Vat incl	15 October 2014	25 Jun 2015	98% Complete	Contractor affected by municipal workers strike and late transfer of MIG	Notice to remedy breach sent to consultant.. Extension of time approved	3
MBUSI WOMAN	EMTHONJENI EXT 4 & ENKANINI PROVISION OF WATERBOURNE SANITAION FOR 800 STANDS PHASE 1 (114 STANDS)	03 Nov 2014	2 Months	R 776 774.10 Vat excl	R 776 774.10 Vat excl	02 Dec 2014	25 Jun 2015	99% Complete	Contractor affected by municipal workers strike and late transfer of MIG	Contractor put on terms. Extension of time approved	3
MBUSI WOMAN	EMTHONJENI EXT 4 & ENKANINI PROVISION OF WATER FOR 800 STANDS PHASE 1 (114 STANDS)	03 Nov 2014	2 Months	R 1 043 225.74 Vat excl	R 1 043 225.74 Vat excl	02 Dec 2014	25 Jun 2015	98% Complete	Contractor affected by municipal workers strike and late transfer of MIG	Contractor put on terms. Extension of time approved	3
WSM LESHKA CONSULTING	WATER SUPPLY IN RURAL AREAS PHASE 6	30 July 2014	4 Months	R 222 222.22 Vat incl	R 212, 891. 79 Vat incl	05 August 2014	25 Jun 2015	99% Complete	Poor professional relationship between consultant and	Notice to remedy breach sent to consultant. Extension of	2

Service Provider	Project Name	Appointment Date	Contract Period	Budget Allocated	Budget Spent	Start Date	End Date	Progress By June 2015	Reasons For Variations (if Any)	Corrective Actions	Score (1-5)
									contractor. Consultant did not administer the project as expected.	time approved. Meetings held with the engineer and the contractor	
MAGUNDWANA CONSTRUCTION	WATER SUPPLY IN RURAL AREAS PHASE 6	20 Nov 2014	4 Months	R 2 777 777.78 Vat incl	R 2 772 054. 79 Vat incl	26 November 2014	25 Jun 2015	99% Complete	Poor professional relationship between consultant and contractor. Failure to follow the consultants instructions	Notice to remedy breach sent to consultant. Extension of time approved. Meetings held with the engineer and the contractor.	2
ENDECON UBUNTU	MADALA TOWNSHIP PROVISION OF WATER FOR 500 STANDS PHASE 1 (150)	16 Sept 2014	3 Months	R 3 216 457.71 Vat incl	R 3 244 544.42 Vat incl	25 September 2014	25 Jun 2015	99% Complete	Consortium affected by municipal workers strike and late transfer of MIG	Notice to remedy breach sent to consultant. Extension of time approved. Meetings held with the engineer and the contractor.	3

Service Provider	Project Name	Appointment Date	Contract Period	Budget Allocated	Budget Spent	Start Date	End Date	Progress By June 2015	Reasons For Variations (If Any)	Corrective Actions	Score (1-5)
ENDECON UBUNTU	MADALA TOWNSHIP PROVISION OF WATERBOURNE SANITATION FOR 500 STANDS PHASE 1 (150 STANDS)	16 Sept 2014	3 Months	R 2 270 435.28 Vat incl	R 2 267 680.03 Vat incl	25 September 2014	25 Jun 2015	99% Complete	Consortium affected by municipal workers strike and late transfer of MIG	Notice to remedy breach sent to consultant. Extension of time approved. Meetings held with the engineer and the contractor.	3
ZMC CONSULTING	PAVING OF ROADS IN DULLSTROOM/S AKHELWE PHASE 5 (ROAD LEADING TO SAKHELWE EXT 2)	30 July 2014	4 Months	R 2 000 000. 00	R 1 990 764.58	04 August 2014	12 Dec 2014	100% Complete	Delay completion	Delay penalties imposed	4
WANOZA/KHANY ISA JV	PAVING OF ROADS AROUND EMAKHAZENI LM PHASE 2 IN EMGWENYA	30 July 2014	4 Months	R 2 616 024.62	R 2 616 023.80	01 August 2014	10-Feb-15	100% Complete	None	100 meters of the project is complete in line with the available budget. Awaiting additional funds from B.W. Noka to complete the	5

Service Provider	Project Name	Appointment Date	Contract Period	Budget Allocated	Budget Spent	Start Date	End Date	Progress By June 2015	Reasons For Variations (If Any)	Corrective Actions	Score (1-5)
										remaining 540meters of the road. Awaiting submission of information in all formats by the engineer.	

APPENDIX I – DISCLOSURES OF FINANCIAL INTERESTS

NO	NAME	DESIGATION	ID. NO	NAME/TYPE OF BUSINESS, WORK/PROPERTY/BUSINESS INTEREST	SHARES/VALUE/AMOUNT	EXTENT OF INTEREST /SHARES ESTIMATED /REMARKS	DATE OF DECLARATION OF INTEREST	DATE OF LAST UPDATE
1.	Clr. X.S. Ngwenya	Executive Mayor	780402 5378 082	1.1 Mandla Olusha PTY,Ltd. 1.2 Ziyawa Event Management 1.3 G. Splash Car Wash 1.4 Liberty Life Policy 1.5 Old Mutual Policy 1.6 Emthonjeni House 1.7 Emthonjeni Rental Room 1.8 Family Member :Zodwa 1.9 Cynthia Mabuza(Spouse) 1.10 Hamzer Press Forward Group	100% R600.000 R350.000	Shares/Financial Interest	26/07/2013 27/03/2014	30 June 2015
3.	Clr. N.A. Mashele	MMC: Corporate Services	780511 0538 084	3.1 Emthonjeni Stand 1418 3.2 member of Human Resources Development working group 3.3 Property (Emthonjeni)	R790 R175 000	Shares/Financial Interest	24/07/2013	
4.	Clr. M.U Hadebe	MMC: Technical & Community Services	730518 5406 085	4.1 Ngeyabo Trading Interprise 4.2 Sakhelwe(House) Family Member: Mavis Masilela 4.3 Residential Property	50%	Shares/Financial Interest	30/07/2013	30 June 2015
5.	Clr. E.S. Radebe	MMC: Finance & Economic Affairs	570512 0873 087	5.1 Yebo Yethu 5.2 Employer: Department of Education 5.3 Residential Property 1428 Family Member: Sydney Thamsanqa (CC Talk izinto 21 Company) 5.4 Early Retirement Pension Fund Annuity fund Property	R2.500 R7.800 R300 R350 000	Shares/Financial Interest	25/07/2013	28/05/2015
6.	Clr. M. Kambula	Speaker	691014 0826 086	6.1 Ikhone Lethu Project CC, Beads , Sewing. 6.2 Leeufontein Grazing Land Property.	10%	Shares/Financial Interest	25/07/2013	30 June 2015
7.	Clr. S.P. Gwebu	Councilor	650824 0287 082	7.1 Sizakancane CC 7.2 Mindlowa PTY.Ltd	100% 50%	Shares/Financial Interest	25/07/2013	14 May 2015
8.	Clr. R.B. Mashele	Councilor	780814 5805 080	8.1 Dullstroom Stand No. 860	R32 000.00	Shares/Financial Interest	06/08/2013	
9.	Clr. S.M. Mondlane	Chief Whip	841211 5444 084	9.1 Emgwenya Foundation (NPO)			06/08/2013	
10.	Clr. J.J. Stevens	Councilor	410205 5070 080	10.1Tweefotein 357JT 10.2 Suikerboschkop Family Member: Nancy Agnes Steves	R2 Million R7 Million 49%	Shares/Financial Interest	22/07/2013	
11.	Clr. X.D. Masina	Councilor	730111 8472 081	11.1 MashaplaneTrasnpourt and Trading Enterprise 11.2 Taxi Business(Mgomokazi) 11.3Stand No. 1937	100% (±50 000) 80%(±60 000) R30 000	Shares/Financial Interest	23/07/2013 31/07/2014	29 June 2015
12.	Clr. C.V. Lello	Councilor	415007 5034 085	12.1 Stand No. 1340 Family Member: Faith Unity Lello 12.2 State Agency Dullstroom Property	R350 000	Shares/Financial Interest	25/07/2013 15/08/2014	
13.	Clr. C.N. Nkosi	Councilor	500313 0636 086	13.1 Mbokodo Catering and Event Management 13.2 Wilpold share and financial interest		Shares/Financial Interest	30/07/2013	30 June 2015
14.	Clr. B.S. Mabuza	Councilor	481107 0516 089	N/A	N/A	N/A	30/07/2013	7 June 2015
15.	Clr. A.A. Botha	Councilor	560312 0075 086	15.1 Property SA 15.2 SANLAM 15.3 PPK-Director (NGO) 15.4 Small Claim Court-Director (State) 15.5 AIDA 15.6 OLD MUTUAL	R400 000.00 R45 000.00 Commission Commission	Shares/Financial Interest	20/07/2013	

				15.7 Alexander Ferbes 15.8 Waterval-Boven: 7 Brugstreet 15.9 Waterval-Boven: 4 Brugstreet 15.10 Waterval-Boven :24 Zasm Avenue	Commission ±R1.5 Million ±R1.1 Million ±R1.2 Million			
16.	Mr. M.I. Abdullah	Manager Corporate Services	640301 5266 08325	16.1 Emgwenya ERF 110/4 16.2 Belfast Ext 3 ERF 1161 16.3 Alipo Investment (PTY) LTD	R400 000.00 R500 000.00	Shares/Financial Interest	02/07/2013	18/05/2015
17.	Mrs. N. Singh	Manager Community Services	771207 0028 082	17.1 Sasol Inzalo 17.2 Residential House: KZN 17.3 Residential House: Belfast 17.4 Emakhazeni Fire and Emergency Services: Received Christmas Hamper (Dried fruit, chocolates, Sweets, Grape Juice)	±R400 000.00 ±R350 000.00 ±R200.00 – R300	Ordinary Public Shares Gift	24/07/2013 12/12/2013	
18.	Mrs. M.M. Ngwenya	Chief Financial Officer	780926 0432 080	N/A	N/A	N/A	29/07/2013	15/05/2015
19.	Mr. L.D. Mkhonza	Manager: Planning & Development	691108 5381 087	19.1 N/A 19.2 Mawubuye Co-operative LTD 19.3 Nzotho Engineering Services	N/A R0.00 R0.00	N/A Shares/Financial Interest	12/12/2013	10/06/2015
20.	Mr. Z.S. Ntimane	Manager Office of the Executive Mayor	730102 5669 081	20.1 Amageja Trading 20.2 Ntimane & Sons 20.3 Residential House: Emgwenya Family Member: Helen Ntimane	Shareholder Shareholder R180 000	Shares/Financial Interest	25/07/2013	
21.	Mr. N.M. Moleleki	DM: IDP/LED & Tourism	800428 8571 083	21.1 Family Member: L.U. Moleleki (Catering & Decor) Family Member: T.R. Moleleki (N/A)		Shares/Financial Interest	25/07/2013	
22.	Mr. N.L.S. Carroll	DM: IT	540706 5287 189	22.1 ISP Family Member: Doleres Carroll	Commission ± R900	Shares/Financial Interest	31/07/2013	
23.	Mr. M.J. Sibanyoni	DM: Labour Relations & Compliance	650722 5480 084	22.1 Forum Liquor Tavern 23.2 SAB MILLER 23.3 2 Residential Properties: Aerorand Middleburg	±R20 000 R2500 R2.3 Million	Shares/Financial Interest	25/07/2013	
24.	Mr. M. Munendevunyi	DM:PMU	44-036600T-44	N/A	N/A	N/A	29/07/2013	
25.	Mr. L.O. Sindane	Manager Technical Services	680519 5485 087	25.1 Mawubuye Co-operative Ltd(PTY) 25.2 Property: 560 Mama Street, 44 Buffalo Street Family Member: H.W. Sindane (Sales – Presles)	Shareholder ± R3 000.00 ±R20 000.00 ±R500 000.00	Shares/Financial Interest	25/07/2013	10 June 2015
26.	Mr. L. Oosthuizen	DM: Licensing	561219 5054 082	Family Member: M. Oosthuizen (Loerin Shop Owner)		Shares/Financial Interest	29/07/2013	
27.	Mr. M.M. Mashilo	Senior accountant : Supply Chain	740117 5395 089	27.1 Medusti Trading 27.2 Welkom Yizani Investment Limited 27.3 Sasol Family Member: Betty Mydudu Mashilo 27.4 Remuneration work outside the municipality : IEC	50% Ownership 450 50% 50%	Shares/Financial Interest	26/07/2013	19/05/2015
28.	Mrs. C. Nell	DM: Budget	840616 0032 083	N/A	N/A	N/A	23/07/2013	
29.	Mrs. T. Maripane	IDP/LED Officer	820713 0494 084	Mekgopa Zenkosi Enterprise (Co-owner) House: Siyathuthuka House: Witbank House: Belfast	30% R80 000.00 R180 000.00 R1.2 Million	Shares/Financial Interest	13/08/2013	19/05/2015
30.	Mrs. D. Ntshwane	Senior Internal Auditor	810522 0448 087	Sonto Maseko Family Member	N/A	N/A	13/08/2013	18/05/2015
31.	Mr. S. Maseko	Field worker	751023 5625 085	278 Emgwenya			14/08/2013	
32.	Ms. A.A. Mahlangu	Secretary	820810 1071 083	N/A	N/A	N/A	14/08/2013	19/05/2015
33.	Ms. C.S. Mahlangu	Senior Clerk: Budget	820301 0500 082	N/A	N/A	N/A	21/08/2013	
34.	Ms. E. Mbele	Senior Accountant: Budget	830227 0472 089	N/A	N/A	N/A	16/08/2013	
35.	Mr. S. M. Mahlangu	Senior Clerk: Acquisition	730514 5952 087	Asikhulimisane Toilet Hire Family Member : N.B. Mahlangu	R250	Shares/Financial Interest	13/08/2013	12/05/2015
36.	Mr. P.T.	Senior Clerk:	721117 5416 086	Residential : Siyathuthuka	±R26 000.00		15/08/2013	15/05/2015

	Maroga	Fleet Management						
37.	Ms. A. Mnguni	Senior Accountant: Financial Standard	870522 0382 085	N/A	N/A	N/A	14/08/2013	
38.	Mr. A. Shabangu	Risk Officer	850213 5472 089	N/A	N/A	N/A	14/08/2013	03/06/2015
39.	Mr. M. Thukwane	Senior Accountant: Supply Chain	870603 5349 087	N/A	N/A	N/A	14/08/2013	
40.	Ms. B. Ntuli	Senior Clerk: Credit Controller	770726 0383 081	N/A	N/A	N/A	15/08/2013	
41.	Mr. G.M. Mthimunya	Electrician	840213 5364 081	N/A	N/A	N/A	15/08/2013	
42.	Ms. L.M. Nkosi	Cashier	780526 0381 087	N/A	N/A	N/A	13/08/2013	19/05/2015
43.	Mr. J.F. Mhlakwane	Cashier	680404 5372 082	Property: Belfast	R50 000		13/08/2013	
44.	Ms. M.S. Zimu	Senior Clerk	6406010 0285 081	Property: Belfast	R45 000		13/08/2013	
45.	Ms. N.P. Mnyandu	Credit Control Clerk	851111 0369 087	N/A	N/A	N/A	13/08/2013	19/05/2015
46.	Mrs. S. Matsane	DM: Hr and admin and Logistics	840304 0392 084	Residential Property	R350 000	Shares/Financial Interest	20/08/2013	30 June 2015
47.	Mrs. T.A. Mkhabela	Senior Admin Officer: Admin & Logistics	880805 0365 087	Avon : Agent	Commission Family Member: M.V. Mkhabela (Loxizeal & Masihlasele Company)	Shares/Financial Interest	20/08/2013	18/05/2015
48.	Mr. T.C. Ngomane	Driver	660504 5350 089	N/A	N/A	N/A	13/08/2013	
49.	Ms. S. A. Msiza	Switchboard Operator	890216 0813 084	N/A	N/A	N/A	13/08/2013	20/05/2015
50.	Mrs. A.J. Skosana	Senior Admin Officer: HR	701005 0464 082	N/A	N/A	N/A	13/08/2013	14/05/2015
51.	Mr. X.J. Makofane	Skills Development Facilitator	741118 5369081	Property: Emgwenya	R40 000		14/08/2013	
52.	Ms. N.F. Langa	Safety Officer	840720 0732 088	N/A	N/A	N/A	14/08/2013	
53.	Mrs. A.M. Semelane	Senior Admin Officer: Legal Services	851005 0975 085	N/A	N/A	N/A	14/08/2013	14/05/2015
54.	Mrs. E. Mhlangu	Cleaner	570829 0421 083	N/A	N/A	N/A	13/08/2013	
55.	Mrs. M.E. Scheffers	Cleaner	570531 0449 086	N/A	N/A	N/A	21/08/2013	
56.	Ms. J.S. Mkhonto	Cleaner	611204 0424 084	N/A	N/A	N/A	20/08/2013	
57.	Ms. N.A. Mahlangu	Personnel Clerk	840628 0792 087	Residential : Machadodorp		R40 000.00	13/08/2013	
58.	Mr. E.M. Ndinisa	Messenger	611115 5579 088	N/A	N/A	N/A	13/08/2013	18/05/2015
59.	Mr. V.H.S. Mnisi	DM: Safety and Security	790925 5289 089	59.1 Emakhazeni Fire and Emergency Service: Received Whisky	R289.00	Gift	21/12/2013	
60.	Mr. K.T. Mahlangu	DM: Supply Chain Department	830121 5732 086	60.1 Hlangweni Transport cc 60.2 residential house 870 square meters (4 bedroom House) Kwamhlanga 60.3 Family members: Seselina Gabisile Maseko 60.4 Siphosihle Mahlangu Thokozani Philip Mahlangu	Commission +-R100 000 R450 000 Business interest Tsepo ya Rona	Shares/Financial Interest	22/04/2015	

					N/A			
61.	Mr. S.S. Gwebu	Financial intern	850818 5638 081	N/A	N/A	N/A	12/05/2015	
62.	Mr. T. Mphogo	Financial intern	880913 6327 083	N/A	N/A	N/A	19/05/2015	
63.	Mr. V. Mdhuli	Senior Accountant: Property and rates	781224 5303 087	NA	N/A	N/A	19/05/2015	
64.	Ms. Annah Mahlangu	Secretary	870421 0328 081	N/A	N/A	N/A	19/05/2015	
65.	Mrs. E.L. Masuku	Internal Audit	841022 0275 088	N/A	N/A	N/A	19/05/2015	
66.	Ms. D.P. Mokgakane	Financial Intern	870805 0270 081	N/A	N/A	N/A	19/05/2015	
67.	Mr. N. Mbethe	Senior income Clerk	810131 5262 087	N/A	N/A	N/A	19/05/2015	
68.	Ms. P. Sibiya	Financial Intern	880913 0153 089	N/A	N/A	N/A	19/05/2015	
69.	Ms. H.N. nkosi	Senior clerk: Asset	850419 0424 088	N/A	N/A	N/A	12/05/2015	
70.	Mr. K.K. Magakwe	Stores clerk	591208 5707 082	Four Cows and MTN Shares	R6000.00	Shares/Financial Interest	12/05/2015	12/05/2015
71.	I.P.A. Blanche	Librarian	780624 0027 089	N/A	N/A	N/A	18/05/2015	
72.	Mr. J.V. Mabheba	Driver Speaker' Office	8810195843085	N/A	N/A	N/A	17/05/2015	
73.	Mrs. N.B. Msiza	Secretary	821218 0567 086	N/A	N/A	N/A	10/06/2015	
74.	Mr. L. Tshabangu	IDP/LED intern	810713 5286 081	N/A	N/A	N/A	20/05/2015	
75.	Ms. N. Mokwana	Internal Audit Intern	920116 0497 082	N/A	N/A	N/A	15 /05/2015	
76.	Mrs. T.T. Lukhele	Cleaner	590208 0250 089	N/A	N/A	N/A	10/06/2015	
77.	Ms. N. Mthethwa	HR and Admin Intern	890923 0317 087	N/A	N/A	N/A	19/05/2015	
78.	Ms. F. Damane	Intern: Legal	900924 1035 085	N/A	N/A	N/A	15/05/2015	
79.								
80.	Mr. W.M. Mokwana	Field worker Public participation	860120 5366 088	N/A	N/A	N/A	19/05/2015	
81.	Mr. J.M. Makgalima ne	Financial intern	920114 5782 087	Eva Mabeloane Family Member : Mmatshatji Catering	N/A	N/A	07 July 2015	
82.	Mrs. E.K. Tshabalala	Acting Municipal Manager	770829 0386 086	82.1Family Business Evening Star Trading 82.2 Land Witbank Model Park bani Lowveld Property (Residential and Busines), Witbank (Lemon Tree) Adela, Van de Venter, Reyno mams, Eco Ridge, Christian De Wet, Bankeveld	±R4 Million ±R 2 Million ± R 8 Million	Shares/Financial Interest	18/05/2015	
83.	Mr. Z.G. Nkambule	Senior Officer: performance Appraisal	900310 5473 081	N/A	N/A	N/A	19/05/2015	

APPENDIX J (i): REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote				
Vote Description	2013/14	2014/15		
	Actual	Original Budget	Adjusted Budget	Actual
Vote 1 - EXECUTIVE & COUNCIL	119,574,087	62,330,921	62,330,921	103,482,993
Vote 2 - FINANCE & ADMIN	1,073,891	63,009,363	63,051,802	18,325,263
Vote 3 - PLANNING & DEVELOPMENT	1,167,117	1,601,372	1,601,372	1,342,904
Vote 4 - HEALTH	0	0	0	0
Vote 5 - COMMUNITY & SOCIAL SERVICES	88,398	67,734	86,989	76,273
Vote 6 - PUBLIC SAFETY	2,892,093	5,000	0	0
Vote 7 - SPORT & RECREATION	112,032	95,871	47,082	34,863
Vote 8 - WASTE MANAGEMENT	7,806,964	8,487,064	8,487,064	8,662,392
Vote 9 - WASTE WATER MANAGEMENT	7,721,037	8,303,637	8,289,187	8,150,360
Vote 10 - ROAD TRANSPORT	12,003,504	7,817,701	7,262,884	12,056,596
Vote 11 - WATER	14,005,409	12,380,182	11,884,644	12,442,680
Vote 12 - ELECTRICITY	35,865,186	44,899,533	39,638,871	33,487,606
Vote 13 - OTHER	0	0	0	0
Total Revenue by Vote	202,309,719	208,998,378	202,680,816	198,061,930

APPENDIX J (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source						
Description	2013/14	2014/15		Actual		
	Actual	Original Budget	Adjustments Budget		Original Budget	Adjustments Budget
Property rates	54,239,347	62,157,058	62,157,058	16,928,256	-267%	-267%
Property rates - penalties & collection charges	0	0	0	0		
Service Charges - electricity revenue	35,437,603	44,342,104	39,342,104	33,173,395	-34%	-19%
Service Charges - water revenue	11,899,474	12,352,441	11,452,441	13,305,108	7%	14%
Service Charges - sanitation revenue	7,702,383	8,273,187	8,273,187	8,136,024	-2%	-2%
Service Charges - refuse revenue	7,806,109	8,487,064	8,487,064	8,662,392	2%	2%
Service Charges - other	0	0	0	0		
Rentals of facilities and equipment	435,340	443,861	418,461	805,948	45%	48%
Interest earned - external investments	218,287	216,240	264,000	380,058	43%	31%
Interest earned - outstanding debtors	0	0	0	0		
Dividends received	0		0	0		
Fines	9,206,921	5,401,225	5,250,200	8,873,781	39%	41%
Licences and permits	23,172	32,535	6,600	6,096	-434%	-8%
Agency services	2,794,433	2,384,080	2,010,284	3,171,904	25%	37%
Transfers recognised - operational	41,975,000	46,402,333	46,402,333	44,855,063	-3%	-3%
Other revenue	14,978,913	1,070,250	771,084	10,995,001	90%	93%
Gains on disposal of PPE	8,167	204,000	204,000	0		
Total Revenue (excluding capital transfers and contributions)	186,725	191,766	185,039	149,293	-28.45%	-23.94%

APPENDIX K – CAPITAL PROGRAMME BY PROJECT 2014/2015

Capital Programme by Project: Financial Year 2014/ 2015					
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
Water					
Emthonjeni Extension 04 and Enkanini Township: Provision of water for 800 stands phase 1 (114 stands)	R 1, 280, 000. 00	R 0. 00	R 1, 280, 000. 00	0	0
Madala township: Provision of water for 500 stands phase 1 (150 stands)	R 3, 216, 457. 71	R 0. 00	R 3, 244, 544. 42	0	100.873
Water supply in rural areas phase 06	R 3, 000, 000. 00	R 0. 00	R 2, 984, 946. 58	0	99.498
Installation of water and sewer reticulation in Siyathuthuka Extension 06 and 08	R 6, 581, 363. 81	R 0. 00	R 5, 455, 629. 56	0	82.895
Upgrading of the Water Treatment Works and license application phase 2	R 4, 148, 404. 42	R 0. 00	R 1, 500, 000. 00 (Spent to date)	0	36.158
Sanitation/Sewerage					
Emthonjeni Extension 04 and Enkanini Township: Provision of waterborne sanitation for 800 stands phase 1 (50 stands)	R 987, 482. 39	R 0. 00	R 987, 482. 39	0	0
Madala township: Provision of waterborne sanitation for 500 stands phase 1 (150 stands)	R 2, 270, 435. 28	R 0. 00	R 2, 267, 680. 03	0	99.878
Installation of water and sewer reticulation in Siyathuthuka Extension 06 and 08	R 6, 581, 363. 81	R 0. 00	R 5, 455, 629. 56	0	82.895
Provision of waterborne toilets in farm areas	R 1, 000, 000. 00	R 0. 00	R 962, 167. 53	0	96.216
Refurbishment of Waste Water Treatment Works in Emgwenya	R 1, 874, 979. 89	R 0. 00	R 1, 863, 550. 13	0	99.390
Electricity					
Installation of electrical infrastructure for Siyathuthuka Extension 06 and 08	R 12, 872, 726. 10	R 14, 326, 579. 43	R 14, 326, 579. 43	100	111.294
Roads and Stormwater					
Paving of roads around Emakhazeni Local Municipality phase 2 (Maandela Elkie street in Siyathuthuka)	R 1, 000, 000. 00	R 0. 00	R 998, 957. 84	0	99.895
Paving of roads around Emakhazeni Local Municipality phase 2 (Road 1 in Emgwenya)	R 2, 000, 000. 00	R 2, 616, 024. 02	R 2, 616, 023. 80	99.999	130.801
Paving of roads in Dullstroom and Sakhelwe phase 5 (Paving of Siyifunile Extension 02 road)	R 2, 000, 000. 00	R 0. 00	R 1, 990, 764. 58	0	99.538
Rehabilitation of Bhekumuzi Masango Drive Phase 04	R 2, 136, 554. 98	R 0. 00	R 2, 014, 474. 22	0	94.286
Construction of roads and stormwater in Siyathuthuka Extension 06 and 08	R 21, 831, 393. 91	R 18, 548, 338. 08	R 20, 048, 063. 08	108.085	91.831
Rehabilitation of Bhekumuzi Masango Drive Phase 3	R 7, 953, 940. 17	R 0. 00	R 6, 500, 000. 00	0	81.720
Paving of 3 roads section in Emgwenya	R 2, 707, 718. 31	R 0. 00	R 2, 820, 957. 30	0	104.182

APPENDIX L – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

Service Backlogs: Schools and Clinics				
Establishments lacking basic services	Water	Sanitation	Electricity	Solid Waste Collection
Schools (NAMES, LOCATIONS)				
Khayalami Secondary School (Siyathuthuka)				
Belfast Academy (Emakhazeni)				
Siyifunile Secondary School(Dullstroom)				
Imemeza Secondary School (Emgwenya)				
Sikhulile Secondary School (Entokozweni)				
Mōrelig Secondary School(Wondefontein)	x	x	x	x
Poolzee* Secondary School(Stofberg)	x	x	x	x
Tonteldoos* Secondary School(Tonteldoos)	x	x	x	x
Klipspruit* Secondary School(Badfontein)	x	x	x	x
Ukhwezi Primary School – Siyathuthuka				
Belfast H.P – Siyathuthuka				
Mpilonhle Primary School– Sakhelwe				
Ebhudlweni Primary School – Emgwenya				
Dumezizweni Primary School– Emthonjeni				
Laerskool Machado Primary School - Entokozweni				
Laerskool Oosterlijn - Emgwenya				
Platorand – School for Learners with Special needs - Emakhazeni				
Chuzon – Private School - Entokozweni				
Emakhazeni Private School - Emakhazeni				
Bitchcroft Private School - Dullstroom				
Dullstroom Private School - Dullstroom				
FET – Nkangala Campus - Emgwenya				
Emakhazeni Boarding School - Entokozweni				
Clinics (NAMES, LOCATIONS)				
Belfast Gate Clinic				
Siyathuhuka Clinic				
Sakhelwe Clinic				
Wonderfontein Clinic				
Emthonjeni Clinic				
Machadodorp Clinic				
Boven Gate Clinic				

APPENDIX M – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

Service Backlogs Experienced by the Community where another Sphere of Government is the Service Provider (where the municipality whether or not act on agency basis)		
Services and Locations	Scale of backlogs	Impact of backlogs
Clinics:	Ward 1,2,4,5,6 and 8 requested clinics	people travel long distances to access health care
Housing:	Ward 1,2,3,4,5,6,7 and 8 requested RDP's	Increasing waiting list and demand for land
Licensing and Testing Centre:	Service provided by the municipality	Some roads exceeded their life span
Reservoirs	Service provided by the municipality	N/A
Schools (Primary and High):	Request for primary and High School in Ward 1, 2,3,5, 6,and 8	
Sports Fields:	Service provided by the municipality	Request received for improving sports fields

APPENDIX N – PRESEDENTIAL OUTCOME FOR LOCAL GOVERNMENT

National and Provincial Outcomes for Local Government		
Outcome/Output	Progress to date	Number or Percentage Achieved
Output: Improving access to basic services		
Water	264 households provided with new water connections	1.74%
Sanitation	35 households provided with new sanitations connections	1.55%
Roads	1.095 km of new roads were constructed	1.81%
Electricity	101 new Households were electrified	0.66%
Output: Implementation of the Community Work Programme		
Output: Deepen democracy through a refined Ward Committee model		
Output: Administrative and financial capability	The municipality does not have an acceptable financial capacity as it is unable to sustain itself	

VOLUME II: ANNUAL FINANCIAL STATEMENTS



Emakhazeni Local Municipality
Financial statements
for the year ended 30 June 2015

Emakhazeni Local Municipality

Annual Financial Statements for the year ended 30 June 2015

Index

The reports and statements set out below comprise the financial statements presented to provincial legislature:

Index	Page
Municipal Manager's Approval of the Annual Financial Statements	1
General Information	2
Chief Financial Officer's Report	3 - 7
Statement of Financial Position	8
Statement of Financial Performance	9
Statement of Changes in Net Assets	10
Cashflow Statement	11
Statement of Comparison between budget and actual	12 - 15
Accounting policies	16 - 36
Notes to the Financial Statements	37 - 68
Appendixes	
Appendix A: Schedule of External Loans	69
Appendix B: Analysis of Property, Plant and Equipment	70 - 72
Appendix C: Disclosure of Grants and Subsidies in terms of Municipal Finance Management Act	73
Appendix D: Deviation from Procurement Report	74 - 75

Abbreviations

COID	Compensation of occupations injuries and decease
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
SA GAAP	South African Statement of Generally Accepted Accounting Practice
GRAP	Generally Recognised Accounting Practice
GAMAP	Generally Recognised Municipal Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers
IPSAS	International Public Sector Accounting Standards
ME's	Municipal Entities
MEC	Member of Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)

Emakhazeni Local Municipality

Financial Statements for the year ended 30 June 2015

Municipal Manager's approval of Annual Financial Statements

I, E.K Tshabalala, the Accounting Officer of Emakhazeni Local Municipality am responsible for the preparation of the Annual Financial Statements which are set out on pages 1 to 75 in terms of Section 126(1) of the Municipal Finance Management Act.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) issued by the Accounting Standards Board in accordance with the Municipal Finance Management Act (Act 56 of 2003).

I certify that the salaries, allowances and benefits of Councilors as disclosed in note 26 of these Annual Financial Statements are within the upper limits of the framework as envisaged in Section 219 of the Constitution, read with the Remuneration of Public Office Bearers Act No. 20 of 1998.

Furthermore, I wish to confirm that the draft AFS were submitted to the special Audit Committee meeting was held on the 26th of August 2015 wherein the members of the Audit Committee had an opportunity to review the financial statements prior to submission to the Auditor General.

I now submit the annual financial statements and have signed them on behalf of the municipality.

E.K TSHABALALA
Acting Municipal Manager

Date
31 August 2015

Emakhazeni Local Municipality
Financial Statements for the year ended 30 June 2015

General Information

Legal form of entity	Municipality
Municipal demarcation code	MP314
Council	
Executive Mayor	Mr XS Ngwenya
Speaker	Ms M Kambula
Chief Whip	Mr SM Mondlane
Mayoral Committee members	Mr MU Hadebe (Chairperson Section 80 Technical & Community Services) Ms NA Mashele (Chairperson Section 80 Corporate Services) Ms ES Radebe (Chairperson Section 80 Finance and Economic Affairs)
Other council members	Ms AA Botha (Member - Proportional) Ms SP Gwebu (Member - Ward 6) Mr RB Mashele (Member - Ward 4) Mr CV Lello (Member - Proportional) Ms BS Mabuza (Member - Proportional) Mr XD Masina (Member - Proportional) Ms CN Nkosi (Member - Proportional) Mr JJ Stevens (Member - Ward 8) Mr MP Ntuli (Member - Ward 2)
Grading of local authority	Emakhazeni is a Grade Two Local Authority
Chief Finance Officer (CFO)	Mrs MM Ngwenya
Acting Accounting Officer	Mrs EK Tshabalala
Registered office	Municipal Buildings 25 Scheepers Street Belfast 1100
Contact Detail:	Tel: (013) 253 7600 E-mail: municipality@emakhazenilm.co.za
Postal address	PO Box 17 Belfast 1100
Auditors	Auditor General of SA
Capacity of local authority	Local Municipality
Attorneys	Ntuli Noble Inc Nomaswazi Shabangu Attorneys T.C. Rampatla Inc BV Mbungela Attorneys
Bankers	First National Bank Branch Code: 270351 Account Number: 62028195510

Emakhazeni Local Municipality

Annual Financial Statements for the year ended 30 June 2015

Chief Financial Officer's Report

The Chief Financial officer submits her report for the year ended 30 June 2015.

1. Introduction

It is a great pleasure for me to present the Annual Financial Statements for the year ended 30 June 2015 which are attached hereto.

It is our responsibility as management to ensure that Annual Financial Statements of Emakhazeni Local Municipality fairly present financial position of the municipality. The presented Annual Financial Statements consist of the following:

1. Statement of Financial Position
2. Statements of Financial Performance
3. Statements of Changes in Net Assets
4. Cash Flow Statements
5. Statements of Comparison of Budget and Actual Amounts
6. Accounting policies
7. Notes to the Financial Statements.

The submission of the above Annual Financial Statements is in compliance with section 126 of Municipal Financial Management Act, Act No 56 of 2003.

The management and leadership of the municipality played a significant role to fulfill the mandate and responsibility by managing limited economic resources whilst focusing on effective service delivery. It is the municipality's commitment to promote sound and good governance in pursuit of clean audit. Our appreciation goes to National Treasury and Nkangala District Municipality for the role that they have played in supporting Emakhazeni Local Municipality to ensure that sound financial management and reporting is maintained by the Municipality

Again political leadership and support provided in this regard is commendable and appreciated.

2. Purpose of the Annual Financial Statements

The purpose of the Annual Financial Statements is to provide information on the financial position, performance and change in position of the municipality over time to users of the financial statements in a manner that will enable them to make useful economic decisions.

3. Accounting Framework

The municipality has done a lot in terms improving and ensuring that accurate Annual Financial Statements are prepared and submitted by fully complying with the following GRAP standards that were provided by the Accounting Standards Board and they were effective from the 01st April 2012:

- GRAP 1- Presentation of Financial Statements
- GRAP 2- Cash Flow Statements
- GRAP 3- Accounting Policies, Changes in Accounting Estimates and Errors
- GRAP 9 – Revenue from Exchange Transaction

Emakhazeni Local Municipality

Annual Financial Statements for the year ended 30 June 2015

Chief Financial Officer's Report

- GRAP 12 - Inventories
- GRAP 13 - Leases
- GRAP 16 - Investment Properties
- GRAP 17 - Property, Plant and Equipments
- GRAP 19 - Provision, Contingent Liabilities and Contingent Assets
- GRAP 21- Impairment of Non- Cash-generating Assets
- GRAP 23 - Revenue from Non -exchange Transactions
- GRAP 24- Presentation of Budget Information in Financial Statements
- GRAP 25- Employee Benefits
- GRAP 26 - Impairment of Cash- generating Assets
- GRAP 31- Intangible Assets
- GRAP 103- Heritage Assets
- GRAP 104- Financial Instruments

It must be noted that where GRAP Standards are silence in accounting of certain transaction-IFRIS is applicable.

4. Key Financial Indicators

4.1 Revenue Analysis

A key indicator of wealth from a municipal perspective is its ability to generate revenue from its communities. Gross Value Added per capita and property rates income per capita are good indicators of a municipality's ability to generate its own revenue. As for Emakhazeni Local Municipality the level of economic activity is relatively low and the property rates income per capita is also low as a results the municipality has limited ability to raise it revenues.

Revenue growth = Total revenue - Previous revenue/ Previous revenue x100
Revenue growth = 165 957 749 - 194 372 723/194 372 723 x100
Revenue growth = -14%

It must be noted that even if the revenue growth analysis can show that the municipality may not sustainable its selves but when looking in the Statement of Financial Position as at 30 June 2015, the total assets of **R791 743 949** is more than the total liabilities of **R 172 151 826** which present that the municipality has more assets than liabilities. Then the interpretation is that the municipality can be able to sustain its selves in the near future.

4.2 Expenditure Management Analysis

Employee cost : Remuneration/Total operating expenditure x 100
Employee cost : 63 290 915/165 149 158 x 100
Employee cost : 38%

Emakhazeni Local Municipality's remuneration as a percentage of operating expenditure ratio is within the range of 25% to 40%, but at the maximum the range.

Emakhazeni Local Municipality

Annual Financial Statements for the year ended 30 June 2015

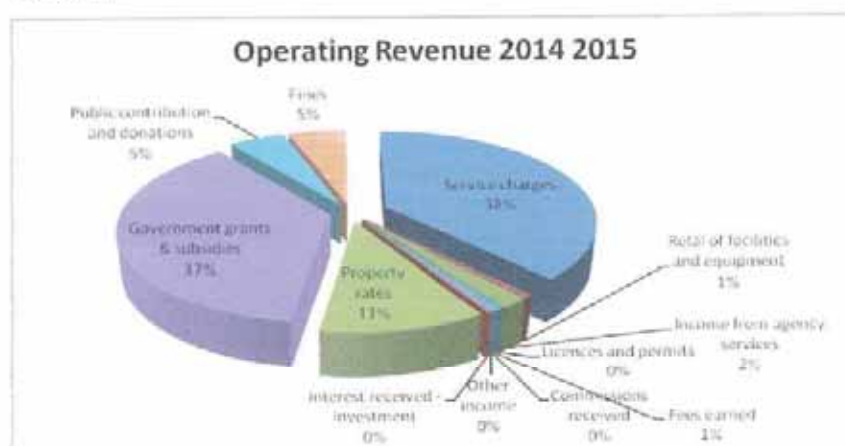
Chief Financial Officer's Report

5. Operational Results

5.1 General

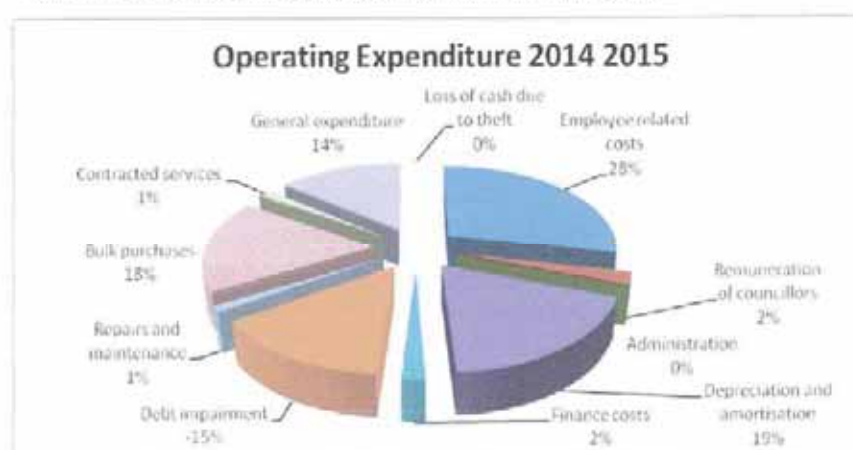
The 2014/15 budget of Emakhazeni Local Municipality was approved by Council on the 30 June 2014 and the adjustment was approved by Council on the 30 January 2015.

Details of the 2014/15 operating results for department and classification of revenue and expenditure are included in the statement of financial performance. Below is the graphical presentation of Income & Expenditure.



5.2 Operating Expenditure

The following graph represents the breakdown per main expenditure group.



Emakhazeni Local Municipality

Annual Financial Statements for the year ended 30 June 2015

Chief Financial Officer's Report

6. Government Grants & Subsidies

The following table shows the amounts received in terms of grants contribution and subsidies from National Government.

No	Name of Grant	Conditional or Non-Conditional Grant	Amount
1	Equitable Share	Non- Conditional	R 41 432 000.00
2	Municipal Infrastructure Grant	Conditional	R 17 232 000.00
3	Financial Management Grant	Conditional	R 1 800 000.00
4	Municipal System Improvement	Conditional	R 934 000.00
5	Expanded Public Works Programme	Conditional	R 1 235 000.00
6	LGSETA Internship program	Conditional	R 69 000
TOTAL GRANTS			R62 702 000.00

7. Financing Of Capital Expenditure

For the 2014/15 financial year, Emakhazeni Local Municipality received a Municipal Infrastructure Grant for an amount of **R 17 232 000.00** from National Treasury and the following projects were executed:

No	Name of the project	Amount spend
1	Emthonjeni Extension 4 and Enkanini Township: Provision of waterborne sanitation for 800 stands phase 1	R 987 482.39
2	Emthonjeni Extension 4 and Enkanini Township: Provision of water for 800 stands	R 1 280 000.00
3	Water supply in rural areas phase 6	R 3 000 000.00
4	Madala Township: Provision of water for 500 stands	R 3 216 457.71
5	Madala Township: Provision of waterborne sanitation for 500 stands	R 2 270 435.28
6	Paving of roads around Emakhazeni Local Municipality Townships phase 2: (Road 1 Emgwenya)	R 2 616 024.00
7	Paving of roads in Dullstroom and Sakhelwe phase 5 (Paving of Siyifunile Extension 02 road)	R 2 000 000.00
8	Paving of roads around Emakhazeni Local Municipality Townships phase 2: (Mandela Elkie street in Siyathuthuka)	R 1 000 000.00
9	Project Management Unit	R 861 600.00
TOTAL		R 17 232 000.00

8. Reconciliation Of Budget To Actual

The overall final budget from revenue from exchange transaction was **R 72 647 025** and the actual was R 69 037 623 which resulted in underperformance by **R 3 609 402**. For the revenue from non exchange, the final budget was **R 132 008 311** and the actual was R96 920 126 which resulted in underperformance by **R 35 088 185**. In terms of the expenditure the overall final budget was **R 230 940 252** and the actual was **R 157 853 266** which resulted in under spending with an amount of **R 73 086 986**.

Emakhazeni Local Municipality

Annual Financial Statements for the year ended 30 June 2015

Chief Financial Officer's Report

9. Property Rates

In the 2014/15 financial year, the municipality experienced a challenge in terms of implementing the valuation roll as the processed followed was challenged by rate payers. The municipality was then given a directive by the MEC for COGTA to revert back to the old valuation roll for the benefit of the community and also the municipality. After reverting back to the old valuation roll, the budgeted amount for rates was then decreased to R17 797 979.00 as reflected in the statement of financial position, and this has also decreased the debtors book of the municipality.

10. Fixed assets register

In the 2013/ 14 financial year, the municipality was unable to provide the Office of the Auditor General with a GRAP 17 compliant fixed assets register, as a result the municipality was not audited on the Fixed Assets Register. National Treasury came to rescue the municipality, as part of their support a consultant was then appointed to prepare the assets register from the scratch, which then at the same time it was addressing prior year errors.

11. Treatment of the matters raised by Auditor General during the previous Audit

Emakhazeni Local Municipality received a disclaimer audit opinion for the 2013/14 financial year. An action plan was then developed to deal with all the issues raised in the audit report and also the management letter. Most of the issues were related to the Annual Financial Statements, which were now are being addressed when preparing the presented Annual Financial Statement for the 2014/15 financial year.

The municipality has a clean audit committee which is chaired by the Executive Mayor. This committee mainly deals with the progress on correcting the findings of the Auditor General.

12. Appreciation

I am grateful to the Executive Mayor, Members of the Mayoral Committee, Councillors, Acting Municipal Managers, Senior Managers, Advisor from National Treasury, COGTA provincial and the municipal accountant from Nkangala District Municipality, for the support they have given me and also thanks the finance staff for the hard work during the 2014/15 financial year, that has ensure that the Annual Financial Statement are prepared and submitted in time to the Auditor General.

MM NGWENYA
CHIEF FINANCIAL OFFICER

Emakhazeni Local Municipality

Financial Statements for the year ended 30 June 2015

Statement of Financial Position as at 30 June 2015

Figures in Rand	Note(s)	2015	2014 Restated*
Assets			
Current Assets			
Cash and cash equivalents	11	6 636 361	4 290 042
Receivables from non-exchange transactions	9	3 999 128	11 315 637
Inventories	8	9 324 004	9 164 773
Receivables from exchange transactions	10	77 784 442	23 749 429
		97 743 935	48 519 881
Non-Current Assets			
Investment property	3	76 280 537	76 280 537
Property, plant and equipment	4	601 551 545	621 261 077
Heritage assets	6	10 255 716	10 255 716
Intangible assets	5	454 197	663 323
		688 541 995	708 460 653
Total Assets		786 285 930	756 980 534
Liabilities			
Current Liabilities			
Payables from exchange transactions	15	108 550 440	93 441 487
Payables from non-exchange transactions	16	148 207	148 207
Unspent conditional grants and receipts	12	1 462 937	-
VAT payable	17	4 489 084	4 258 663
Provisions	13	848 554	-
Long service award	14	229 000	179 000
		115 728 222	98 027 357
Non-Current Liabilities			
Post employment medical aid liability	7	8 948 000	8 887 000
Provisions	13	38 642 585	28 777 584
Long service award	14	3 375 000	3 072 000
		50 965 585	40 736 584
Total Liabilities		166 693 807	138 763 941
Net Assets		619 592 123	618 216 593
Net Assets			
Accumulated surplus		619 592 123	618 216 593

* See Note 39

Emakhazeni Local Municipality

Financial Statements for the year ended 30 June 2015

Statement of Financial Performance

Figures in Rand	Note(s)	2015	2014 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	20	63 276 919	64 899 931
Rental of facilities and equipment		805 948	435 338
Income from agency services		3 171 904	2 793 590
Licences and permits		6 096	23 172
Fees earned		713 949	1 067 306
Commissions received		4 679	4 423
Other income	22	678 070	2 428 063
Interest received - investment	28	380 058	218 287
Total revenue from exchange transactions		69 037 623	71 870 110
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	19	16 928 257	32 072 145
Transfer revenue			
Government grants & subsidies	21	62 087 063	55 297 000
Public contributions and donations	23	8 161 303	25 158 039
Fines		8 873 781	9 939 171
Total revenue from non-exchange transactions		96 050 404	122 466 355
Total revenue	18	165 088 027	194 336 465
Expenditure			
Employee related costs	25	(63 290 915)	(61 162 827)
Remuneration of councillors	26	(5 069 866)	(4 811 990)
Depreciation and amortisation	29	(41 288 586)	(39 953 229)
Finance costs	30	(4 080 324)	(3 839 240)
Debt impairment	27	32 363 924	(31 304 359)
Repairs and maintenance		(2 471 575)	(4 420 335)
Bulk purchases	34	(39 403 834)	(35 302 306)
Contracted services	33	(3 272 476)	(3 548 460)
General expenses	24	(38 635 506)	(34 177 322)
Total expenditure		(165 149 158)	(218 520 068)
Operating deficit		(61 131)	(24 183 603)
Gain/(loss) on disposal of assets		-	8 167
Gain/(loss) on actuarial valuation		1 437 000	2 791 000
Gain/(loss) on impairment of assets		-	(14 756)
Gain/(loss) of cash due to theft		(340)	-
		1 436 660	2 784 411
Surplus/(Deficit) for the year		1 375 529	(21 399 192)

* See Note 39

Emakhazeni Local Municipality
Financial Statements for the year ended 30 June 2015

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Opening balance as previously reported 01 July 2013	453 323 041	453 323 041
Adjustments		
Prior year adjustments (Note 39)	186 292 744	186 292 744
Restated balance at 01 July 2013	639 615 785	639 615 785
Prior year adjustments (Note 39)	(443 686)	(443 686)
Surplus/(deficit) for the year as previously reported	(20 955 506)	(20 955 506)
Restated surplus/(deficit) for the year	(21 399 192)	(21 399 192)
Total changes	(21 399 192)	(21 399 192)
Restated balance as at 01 July 2014	618 216 594	618 216 594
Surplus/(deficit) for the year	1 375 529	1 375 529
Total changes	1 375 529	1 375 529
Balance at 30 June 2015	619 592 123	619 592 123
Note(s)		

* See Note 39

Emakhazeni Local Municipality
Financial Statements for the year ended 30 June 2015

Cash Flow Statement

Figures in Rand	Note(s)	2015	2014 Restated*
Cash flows from operating activities			
Receipts			
Sale of goods and services		80,065,702	162,188,534
Grants		63,550,000	55,297,000
Interest income		380,058	218,287
		<u>143,995,760</u>	<u>217,703,821</u>
Payments			
Employee costs		(65,308,397)	(61,162,826)
Suppliers		(57,475,693)	(118,063,872)
Finance costs		(4,080,324)	(3,839,240)
		<u>(126,864,414)</u>	<u>(183,065,938)</u>
Net cash inflow from operating activities	35	<u>17,131,346</u>	<u>34,637,883</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(14,785,027)	(36,567,697)
Disposal of property, plant and equipment	4	-	26,460
Purchase of other intangible assets	5	-	170,000
Net cash outflow from investing activities		<u>(14,785,027)</u>	<u>(36,371,237)</u>
Net increase/(decrease) in cash and cash equivalents		<u>2,346,319</u>	<u>(1,733,354)</u>
Cash and cash equivalents at the beginning of the year		4,290,042	6,023,396
Cash and cash equivalents at the end of the year	11	<u>6,636,361</u>	<u>4,290,042</u>

* See Note 39

Emakhazeni Local Municipality

Financial Statements for the year ended 30 June 2015

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
--	-----------------	-------------	--------------	------------------------------------	--	-----------

Figures in Rand

Statement of Financial Performance

Revenue

Revenue from exchange transactions

Service charges	75 076 596	(5 900 000)	69 176 596	63 276 919	(5 899 677)	
Rental of facilities and equipment	443 861	(25 400)	418 461	805 948	387 487	Note 44 No 1
Income from agency services	2 384 080	(373 796)	2 010 284	3 171 904	1 161 620	Note 44 No 2
Licences and permits	32 535	(25 935)	6 600	6 096	(504)	
Fees earned	912 300	(253 197)	659 103	713 949	54 846	
Commissions received	17 649	(12 649)	5 000	4 679	(321)	
Other income	140 301	(33 320)	106 981	678 070	571 089	Note 44 No 3
Interest received - investment	216 240	47 760	264 000	380 058	116 058	Note 44 No 4
Total revenue from exchange transactions	79 223 562	(6 576 537)	72 647 025	69 037 623	(3 609 402)	

Revenue from non-exchange transactions

Taxation revenue

Property rates	62 805 778	(560 000)	62 245 778	16 928 257	(45 317 521)	Note 44 No 5
Government grants & subsidies	63 634 333	-	63 634 333	62 087 063	(1 547 270)	

Transfer revenue

Public contributions and donations	-	-	-	8 161 303	8 161 303	Note 44 No 6
Fines	5 401 225	(151 025)	5 250 200	8 873 781	3 623 581	Note 44 No 7

Total revenue from non-exchange transactions	131 841 336	(711 025)	131 130 311	96 050 404	(35 079 907)	
---	--------------------	------------------	--------------------	-------------------	---------------------	--

Total revenue	211 064 898	(7 287 562)	203 777 336	165 088 027	(38 689 309)	
----------------------	--------------------	--------------------	--------------------	--------------------	---------------------	--

Expenditure

Personnel	(77 758 881)	(20 000)	(77 778 881)	(63 290 915)	14 487 966	Note 44 No 8
Remuneration of councillors	(5 108 645)	-	(5 108 645)	(5 069 866)	38 779	
Administration	(20 000)	-	(20 000)	-	20 000	Note 44 No 9
Depreciation and amortisation	(50 979 600)	-	(50 979 600)	(41 288 586)	9 691 014	Note 44 No 10
Finance costs	(1 537 000)	(400 000)	(1 937 000)	(4 080 324)	(2 143 324)	Note 44 No 11
Debt impairment	(9 190 200)	-	(9 190 200)	32 363 924	41 554 124	Note 44 No 16
Repairs and maintenance	(8 285 578)	2 387 573	(5 898 005)	(2 471 575)	3 426 430	Note 44 No 12
Bulk purchases	(40 769 696)	-	(40 769 696)	(39 403 834)	1 365 862	
Contracted Services	(3 473 604)	150 000	(3 323 604)	(3 272 476)	51 128	
General Expenses	(37 304 790)	1 370 169	(35 934 621)	(38 635 506)	(2 700 885)	

Total expenditure	(234 427 994)	3 487 742	(230 940 252)	(165 149 158)	65 791 094	
--------------------------	----------------------	------------------	----------------------	----------------------	-------------------	--

Operating deficit	(23 363 096)	(3 799 820)	(27 162 916)	(61 131)	27 101 785	
--------------------------	---------------------	--------------------	---------------------	-----------------	-------------------	--

Gain/(loss) on disposal of assets	204 000	-	204 000	-	(204 000)	Note 44 No 13
-----------------------------------	---------	---	---------	---	-----------	---------------

Gain/(loss) on actuarial valuations	(1 484 000)	20 000	(1 464 000)	1 437 000	2 901 000	Note 44 No 14
-------------------------------------	-------------	--------	-------------	-----------	-----------	---------------

Loss of cash	-	-	-	(340)	(340)	Note 44 No 15
--------------	---	---	---	-------	-------	---------------

	(1 280 000)	20 000	(1 260 000)	1 436 660	2 696 660	
--	--------------------	---------------	--------------------	------------------	------------------	--

Surplus before taxation	(24 643 096)	(3 779 820)	(28 422 916)	1 375 529	29 798 445	
--------------------------------	---------------------	--------------------	---------------------	------------------	-------------------	--

Emakhazeni Local Municipality

Financial Statements for the year ended 30 June 2015

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	(24 643 096)	(3 779 820)	(28 422 916)	1 375 529	29 798 445	

Emakhazeni Local Municipality
Financial Statements for the year ended 30 June 2015

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Position						
Assets						
Current Assets						
Inventories	1 135 000	-	1 135 000	9 324 004	8 189 004	Note 44 Nr 17
Receivables from non-exchange transactions	2 631 750	-	2 631 750	3 999 134	1 367 384	Note 44 Nr 18
Receivables from exchange transactions	55 889 208	-	55 889 208	77 784 436	21 895 228	Note 44 Nr 19
Cash and cash equivalents	1 650 000	-	1 650 000	6 636 361	4 986 361	Note 44 Nr 20
	61 305 958	-	61 305 958	97 743 935	36 437 977	
Non-Current Assets						
Investment property	34 321 000	-	34 321 000	76 280 537	41 959 537	Note 44 Nr 21
Property, plant and equipment	479 531 400	(170 800)	479 360 600	601 551 545	122 190 945	Note 44 Nr 22
Intangible assets	488 000	(25 000)	463 000	454 197	(8 803)	
Heritage assets	-	-	-	10 255 716	10 255 716	Note 44 Nr 23
	514 340 400	(195 800)	514 144 600	688 541 995	174 397 395	
Total Assets	575 646 358	(195 800)	575 450 558	786 285 930	210 835 372	
Liabilities						
Current Liabilities						
Payables from exchange transactions	20 554 000	-	20 554 000	108 550 440	87 996 440	Note 44 Nr 25
Taxes and transfers payable (non-exchange)	-	-	-	148 207	148 207	Note 44 Nr 26
VAT payable	15 000 000	-	15 000 000	4 489 084	(10 510 916)	Note 44 Nr 27
Unspent conditional grants and receipts	1 000 000	-	1 000 000	1 462 937	462 937	Note 44 Nr 28
Provisions	-	-	-	848 554	848 554	Note 44 Nr 29
Long service award	-	-	-	229 000	229 000	Note 44 Nr 30
	36 554 000	-	36 554 000	115 728 222	79 174 222	
Non-Current Liabilities						
Post employment medical aid liability	9 800 000	-	9 800 000	8 948 000	(852 000)	
Provisions	31 294 000	-	31 294 000	38 642 585	7 348 585	Note 44 Nr 31
Long service award	4 000 056	-	4 000 056	3 375 000	(625 056)	Note 44 Nr 32
	45 094 056	-	45 094 056	50 965 585	5 871 529	
Total Liabilities	81 648 056	-	81 648 056	166 693 807	85 045 751	
Net Assets	493 998 302	(195 800)	493 802 502	619 592 123	125 789 621	
Net Assets						
Net Assets Attributable to Owners of Controlling Entity						
Reserves						
Accumulated surplus	493 998 302	(195 800)	493 802 502	619 592 123	125 789 621	Note 44 Nr 33

Emakhazeni Local Municipality
Financial Statements for the year ended 30 June 2015

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Cash Flow Statement						
Cash flows from operating activities						
Receipts						
Sale of goods and services	144 943 805	(6 775 322)	138 168 483	98 037 567	(40 130 916)	Note 44 Nr 34
Grants	63 634 333	-	63 634 333	62 087 063	(1 547 270)	
Interest income	216 240	47 760	264 000	380 058	116 058	Note 44 Nr 35
	208 794 378	(6 727 562)	202 066 816	160 504 688	(41 562 128)	
Payments						
Employee costs	(78 916 214)	-	(78 916 214)	(62 818 914)	16 097 300	Note 44 Nr 36
Suppliers	(92 700 460)	3 907 762	(88 792 698)	(70 242 201)	18 550 497	Note 44 Nr 37
Finance costs	(1 537 000)	(400 000)	(1 937 000)	(4 080 324)	(2 143 324)	Note 44 Nr 38
	(173 153 674)	3 507 762	(169 645 912)	(137 141 439)	32 504 473	
Net cash flows from operating activities	35 640 704	(3 219 800)	32 420 904	23 363 249	(9 057 655)	
Cash flows from investing activities						
Purchase of property, plant and equipment	(17 267 400)	-	(17 267 400)	(22 946 330)	(5 678 930)	Note 44 Nr 39
Disposal of property, plant and equipment	204 000	-	204 000	1 576 400	1 372 400	Note 44 Nr 40
Net cash flows from investing activities	(17 063 400)	-	(17 063 400)	(21 369 930)	(4 306 530)	
Cash flows from financing activities						
Movement in long service award	-	-	-	353 000	353 000	Note 44 Nr 41
Other cash item	(62 400)	-	(62 400)	-	62 400	Note 44 Nr 42
Net cash flows from financing activities	(62 400)	-	(62 400)	353 000	290 600	
Net increase/(decrease) in cash and cash equivalents	18 514 904	(3 219 800)	15 295 104	2 346 319	(13 073 585)	Note 44 Nr 43
Cash and cash equivalents at the beginning of the year	(39 879 204)	-	(39 879 204)	4 290 042	44 169 246	Note 44 Nr 44
Cash and cash equivalents at the end of the year	(21 364 300)	(3 219 800)	(24 584 100)	6 636 361	31 095 661	

Emakhazeni Local Municipality
Financial Statements for the year ended 30 June 2015

Accounting Policies

1. Presentation of Financial Statements

The financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

These accounting policies are consistent with prior periods, except for the changes set out in Changes in Accounting policy note.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these financial statements, are disclosed below.

1.1 Going concern assumption

These financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.

We draw attention to the fact that at the end of the reporting period, the current liabilities exceeds the current assets, but as per the debt ratio the municipality is at 20% - 25%. This basis presumption is that the funds will be available to finance further operations and the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The municipality will continue to strengthen the going concern basis with the following:

- * collection rate of consumer debtors to increase
- * benchmarking and prioritisation of expenditure

1.2 Significant judgements and sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Significant judgements include:

Trade receivables

The municipality assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the municipality makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Impairment testing

The recoverable (service) amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumptions used may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including production estimates and supply and demand, together with economic factors such as inflation and interest rates.

Emakhazeni Local Municipality

Financial Statements for the year ended 30 June 2015

Accounting Policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 13 - Provisions.

Useful lives of property, plant and equipment and other assets

The municipality's management determines the estimated useful lives and related depreciation/ amortisation charges for property, plant and equipment and other assets. This estimate is based on the pattern in which an asset's future economic benefits or service potential are expected to be consumed by the municipality.

Post retirement benefits

The present value of the post retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post retirement obligations.

The municipality determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. The most appropriate discount rate that reflects the time value of money is with reference to market yields at the reporting date on government bonds. Where there is no deep market in government bonds with a sufficiently long maturity to match the estimated maturity of all the benefit payments, the municipality uses current market rates of the appropriate term to discount shorter term payments, and estimates the discount rate for longer maturities by extrapolating current market rates along the yield curve.

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 7 - Employee benefit obligations.

Effective interest rate

The municipality used the prime interest rate to discount future cash flows.

Allowance for debt impairment

On receivables an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the receivables' carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

Fines

Fines are recognised as revenue when it is probable that future economic benefits or service potential will flow to the municipality and benefits can be measured.

The municipality shall initially recognize the full amount of revenue at the transaction date.

The municipality shall subsequent to initial recognition and measurement, assess the collectability of the revenue and recognize an impairment loss where appropriate.

1.3 Presentation currency and rounding

These financial statements are presented in South African Rand and all the amounts had been rounded off to the nearest tense, which is the functional currency of the municipality.

1.4 Net basis

Transactions arising from a group of similar transactions are reported on a net basis, unless when it is material, then it is disclosed separately.

1.5 Comparative information

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

Emakhazeni Local Municipality
Financial Statements for the year ended 30 June 2015

Accounting Policies

1.5 Comparative information (continued)

Change in accounting policy:

The adoption of GRAP Standards, it will be considered to be a change in accounting policy and therefore all the comparative information will be restated as retrospective changes will be done.

Change in accounting estimate:

All changes in accounting estimates will be prospectively changed and therefore no restatement of comparative information will be required

Errors:

All errors that are material will be corrected retrospectively and therefore all the comparative information will be restated, while non material errors will be corrected prospectively and the comparative information is therefore not restated.

1.6 Borrowing costs

1.7 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating deficits.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the municipality.

A contingent liability is:

- * a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality; or
- * a present obligation that arises from past events but is not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation
 - the amount of the obligation cannot be measured with sufficient reliability

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 37.

Accounting Policies

1.8 Employee benefits

Short-term employee benefits

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within 12 months after the end of the period in which the employees rendered the related service.

When an employee has rendered services to the municipality during a reporting period, the municipality recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for the service:

- * as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the municipality recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- * as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The municipality measures the expected cost of accumulating compensated absences as the additional amount that the municipality expects to pay as a result of unused entitlement that has accumulated at the reporting date.

The municipality recognises the expected cost of bonus, incentive and performance related payments when the municipality has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. Present obligation exists when the municipality has no realistic alternative, but to make the payments.

Other post retirement obligations

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefits are formal or informal arrangements under which the municipality provides post-employment benefits for one or more employees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age. The expected costs of these benefits are accrued over the period of the expected life span. Independent qualified actuaries carry out valuations of these obligations.

The municipality has an obligation to provide long service leave benefits to all of its employees who was and is in continued service at the same employer. According to the rules of the leave policy, which the municipality instituted and operates, an employee qualifies for these long service benefits on the following periods:

- * After 10 years service - 10 working days
- * After 15 years service - 20 working days
- * After 20 years service - 30 working days
- * After 25 years service - 30 working days
- * After 30 years service - 30 working days
- * After 35 years service - 30 working days
- * After 40 years service - 30 working days
- * After 45 years service - 30 working days

Emakhazeni Local Municipality

Financial Statements for the year ended 30 June 2015

Accounting Policies

1.8 Employee benefits (continued)

The municipality's liability is based on an actuarial valuation. The Projected Unit Credit Funding Method is used to value the liabilities. Actuarial gains and losses on the long-term service awards are recognised in the statement of financial performance.

The amount recognised as a liability for long-term service awards is the net total of the following amounts:

- * the present value of the defined benefit obligation at the reporting date;
- * minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

The municipality recognises the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- * actuarial gains and losses, which is recognised immediately
- * the effect of any curtailments or settlements

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the municipality's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

Defined benefit plans

For defined benefit plans the cost of providing the benefits is determined using the projected credit method.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan.

Consideration is given to any event that could impact the funds up to end of the reporting period where the interim valuation is performed at an earlier date.

Past service costs are recognised immediately to the extent that the benefits are already vested, and are otherwise amortised on a straight line basis over the average period until the amended benefits become vested.

To the extent that, at the beginning of the financial period, any cumulative unrecognised actuarial gain or loss exceeds ten percent of the greater of the present value of the projected benefit obligation and the fair value of the plan assets (the corridor), that portion is recognised in surplus or deficit over the expected average remaining service lives of participating employees. Actuarial gains or losses within the corridor are not recognised.

Gains or losses on the curtailment or settlement of a defined benefit plan is recognised when the municipality is demonstrably committed to curtailment or settlement.

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and reduces by the fair value of plan assets.

Any asset is limited to unrecognised actuarial losses and past service costs, plus the present value of available refunds and reduction in future contributions to the plan.

1.9 Investment property

Investment property comprise of land and or buildings (or parts of buildings) or both, held by the municipality as owner, or as lessee under a finance lease, to earn rental revenues or for capital appreciation or both. Typical investment property include:

Accounting Policies

1.9 Investment property (continued)

- office parks (which have been developed by the municipality itself or jointly between the municipality and one or more other parties)
- shopping centres (developed along similar lines);
- housing developments (developments financed and managed by the municipality itself, with the sole purpose of selling or letting such houses for profit).

Investment property shall be accounted for in terms of GRAP 16 and shall not be classified as PPE for purposes of preparing the municipality's Statement of Financial Position. Investment property is initially measured at its cost.

After initial recognition, all investment property shall be measured at fair value. Transaction costs are included in the initial measurement.

Where an investment property is acquired at no cost, or for a nominal cost, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Subsequent to initial measurement investment property is carried at cost less accumulated depreciation and any accumulated impairment losses.

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

The gain or loss arising from the derecognition of investment property is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the investment property. Such difference is recognised in surplus or deficit when the investment property is derecognised.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

Property interests held under operating leases are classified and accounted for as investment property in the following circumstances:

When classification is difficult, the criteria used to distinguish investment property from owner-occupied property and from property held for sale in the ordinary course of operations, are as follows:

1.10 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) they comprise any land and building held (by the owner or by the lessee under a finance lease) by the municipality to be used in the production or supply of goods or for administrative purposes.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

If the municipality chooses the revaluation model for its Land and Buildings, then after recognition as an asset, Land and Buildings whose fair value can be measured reliably shall be carried at a re-valued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciated and subsequent accumulated impairment losses.

Accounting Policies

1.10 Property, plant and equipment (continued)

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Major spare parts and stand by equipment which are expected to be used for more than one period are included in property, plant and equipment. In addition, spare parts and stand by equipment which can only be used in connection with an item of property, plant and equipment are accounted for as property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment is carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Any increase in an asset's carrying amount, as a result of a revaluation, is credited directly to a revaluation surplus. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period. The decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings when the asset is derecognised.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings as the asset is used. The amount transferred is equal to the difference between depreciation based on the revalued carrying amount and depreciation based on the original cost of the asset.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Emakhazeni Local Municipality
Financial Statements for the year ended 30 June 2015

Accounting Policies

1.10 Property, plant and equipment (continued)

Property, plant and equipment is carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Any increase in an asset's carrying amount, as a result of a revaluation, is credited directly to a revaluation surplus. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period. The decrease is debited in revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Land	Land is not depreciated as it is deemed to have an indefinite useful life
Buildings	15-60 years
Infrastructure	
• Electricity	10 - 60 years
• Other structure	15 - 60 years
• Railways	60 years
• Roads	10 - 80 years
• Sanitation	10 - 60 years
• Water	5 - 60 years
Community	
• Community assets	15 - 60 years
Other assets	
• Emergency equipment	5 - 7 years
• Furniture and fittings	5 - 7 years
• Motor vehicles	7 - 15 years
• Office equipment	5 - 7 years
• Plant and equipment	5 - 7 years

The residual value, and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimate unless expectations differ from the previous estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Assets which the municipality holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. These assets are not accounted for as non-current assets held for sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

Emakhazeni Local Municipality

Financial Statements for the year ended 30 June 2015

Accounting Policies

1.11 Site restoration and dismantling cost

The municipality has an obligation to dismantle, remove and restore items of property, plant and equipment. Such obligations are referred to as 'decommissioning, restoration and similar liabilities'. The cost of an item of property, plant and equipment includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an municipality incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

If the related asset is measured using the cost model:

- (a) subject to (b), changes in the liability are added to, or deducted from, the cost of the related asset in the current period;
- (b) if a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit; and
- (c) if the adjustment results in an addition to the cost of an asset, the municipality considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the asset is tested for impairment by estimating its recoverable amount or recoverable service amount, and any impairment loss is recognised in accordance with the accounting policy on impairment of cash-generating assets and/or impairment of non-cash-generating assets.

1.12 Heritage assets

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

The municipality recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value can be measured reliably.

Where the municipality holds a heritage asset, but on initial recognition, it does not meet the recognition criteria because it cannot be reliably measured, information on such a heritage asset is disclosed in the note for Heritage assets.

Heritage assets are measured at cost. Where a heritage asset is acquired at no cost, or for a nominal cost, its cost is its fair value as at the date of acquisition.

Subsequent to initial measurement heritage assets are carried at its cost less any accumulated impairment losses.

The municipality assesses at each reporting date whether there is an indication that a heritage asset may be impaired. If any such indications exists, the municipality estimates the recoverable amount or the recoverable service amount of the heritage asset.

Heritage assets are derecognised on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in surplus or deficit when the heritage asset is derecognised.

1.13 Intangible assets

Servitudes granted under these conditions do not meet the "identifiably" criteria above the following reasons:

- They cannot be sold, transferred, rented or exchanged freely and are not separable from the entity.
- They arise from rights granted to the entity in statute and are specifically excluded from GRAP102 as they are "internally generated rights".

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

Emakhazeni Local Municipality
Financial Statements for the year ended 30 June 2015

Accounting Policies

1.13 Intangible assets (continued)

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Such assets are amortised over the best estimate of the useful life of the intangible asset. If an intangible asset is generated internally by the municipality, then a distinction should be made between research and development costs.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software	10 years - indefinite

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

1.14 Impairment of cash-generating assets

Cash generating assets are those assets held by the municipality with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality also test a cash or non-cash generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

Emakhazeni Local Municipality

Financial Statements for the year ended 30 June 2015

Accounting Policies

1.14 Impairment of cash-generating assets (continued)

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the municipality uses management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

Emakhazeni Local Municipality
Financial Statements for the year ended 30 June 2015

Accounting Policies

1.14 Impairment of cash-generating assets (continued)

Reversal of impairment loss

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

1.15 Financial Instruments

Classification

The municipality has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Other receivables	Financial asset measured at amortised cost

The municipality has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Other payables	Financial liabilities measured at amortised cost

Initial recognition and measurement

Initial recognition of financial assets or financial liabilities:

The municipality recognises a financial asset or a financial liability in its statement of financial position when the municipality becomes a party to the contractual provisions of the instrument.

The municipality recognises financial asset using trade date accounting.

Initial measurement of financial assets and financial liabilities:

Emakhazeni Local Municipality
Financial Statements for the year ended 30 June 2015

Accounting Policies

1.15 Financial Instruments (continued)

The municipality measures a financial asset or a financial liability, other than those subsequently measured at fair value, initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The municipality measures all other financial asset and financial liability initially at its fair value.

The municipality first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the municipality analyses a concessionary loan into its component parts and accounts for each component separately. The municipality accounts for that part of a concessionary loan that is:

- * a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan, or;
- non-exchange revenue, in accordance with the Standards of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

Subsequent measurement of financial assets and financial liabilities

The municipality measures all financial assets and financial liabilities after initial recognition using the following categories:

- * financial instruments at fair value;
- * financial instruments at amortised cost
- * financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest rate method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectability in the case of a financial asset.

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the municipality establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the municipality uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on municipality-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, the municipality calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e without modification or repackaging) or based on any available observable market data.

Short-term receivables and payables are not discounted where the initial credit period granted or received is consistent with terms used in the public sector, either through established practices or legislation.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit

For financial assets and financial liabilities measured at amortised cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Impairment and uncollectability of financial assets

The municipality assesses at each statement of financial position date whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Emakhazeni Local Municipality
Financial Statements for the year ended 30 June 2015

Accounting Policies

1.15 Financial instruments (continued)

For amounts due to the municipality, significant financial difficulties of the receivable, probability that the recoverable will enter bankruptcy and default of payments are all considered indicators of impairment.

Financial assets are measured at amortised cost.

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreased and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the use of an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in surplus or deficit within operating expenses. When such financial assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Financial assets are measured at cost.

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

Derecognition

Financial assets

The municipality derecognises financial assets using trade accounting.

The municipality derecognises a financial asset only when:

- the contractual rights to receive cash flows from the financial asset have expired, are settled or waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the municipality, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the municipality:
 - derecognises the asset; and
 - recognises separately any rights and obligations created or retained in the transfer

The carrying amount of the transferred asset is allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

Financial liabilities

The municipality removes a financial liability (or part of a financial liability) from its statement of financial position when it is extinguished - i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

Emakhazeni Local Municipality
Financial Statements for the year ended 30 June 2015

Accounting Policies

1.15 Financial Instruments (continued)

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

Receivables from exchange transactions

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. An allowance for impairment of receivables is established when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Impairment losses are recognised in the statement of financial performance.

Payables from exchange transactions

Creditors are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks with original maturities of three months or less, and bank overdrafts.

Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash, cash on hand, deposits held on call with banks and investments in financial instruments, net of bank overdrafts.

1.16 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the municipality assesses the classification of each element separately.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are recognised separately as an expense in the period in which they are incurred.

Accounting Policies

1.16 Leases (continued)

Operating leases - lessor

Revenue for leases is disclosed under revenue in statement of financial performance.

Operating lease payments are recognised as an expense according to the signed contract.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Any contingent rents are recognised separately as an expense in the period in which they are incurred.

1.17 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.18 Impairment of non-cash-generating assets

Cash-generating assets are those assets held by the municipality with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

Non-cash-generating assets are assets other than cash-generating assets.

Useful life is either:

- (b) the number of production or similar units expected to be obtained from the asset by the municipality.

Accounting Policies

1.18 Impairment of non-cash-generating assets (continued)

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

Restoration cost approach

Restoration cost is the cost of restoring the service potential of a cash-generating asset to its pre-impaired level. The present value of the remaining service potential of the asset is determined by subtracting the estimated restoration cost of the asset from the current cost of replacing the remaining service potential of the asset before impairment. The latter cost is determined as the depreciated reproduction or replacement cost of the asset, whichever is lower.

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of an impairment loss

The municipality assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Emakhazeni Local Municipality

Financial Statements for the year ended 30 June 2015

Accounting Policies

1.19 Share capital / contributed capital

An equity instrument is any contract that evidences a residual interest in the assets of the municipality after deducting all of its liabilities.

1.20 Grants in aid

The Municipality transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the municipality does not:

- receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
- expect to be repaid in future; or
- expect a financial return, as would be expected from an investment.

These transfers are recognised in the statement of financial performance as expenses in the period that the events giving rise to the transfer occurred.

1.21 Events after the reporting date

Events after the reporting date that are classified as adjustments events have been accounted for in the annual financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the annual financial statements.

1.22 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- * the amount of revenue can be measured reliably;
- * it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- * the stage of completion of the transaction at the reporting date can be measured reliably; and
- * the costs incurred for the transaction and the costs to complete the transaction can be measured reliably

Emakhazeni Local Municipality
Financial Statements for the year ended 30 June 2015

Accounting Policies

1.22 Revenue from exchange transactions (continued)

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by the proportion that costs incurred to date bear to the total estimated costs of the transaction.

1.23 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an municipality, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, a municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting municipality.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have been met, a liability is recognised.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Transfers

Apart from services in kind, which are not recognised, the municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Accounting Policies

1.23 Revenue from non-exchange transactions (continued)

Transferred assets are measured at their fair value as at the date of acquisition.

Rates, including collection charges and penalties

Revenue for rates, including collection charges and penalty interest, is recognised when:

- * it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- * the amount of the revenue can be measured reliably; and
- * to the extent that there has been compliance with the relevant legal requirements.

Changes to property values during a reporting period are valued by a suitably qualified valuator and adjustments are made to rates revenue, based on a time proportion basis. Adjustments to rates revenue already recognised are processed or additional rates revenue is recognised.

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Services in-kind

Services in-kind are not recognised.

Concessionary loans received

A concessionary loan is a loan granted to or received by the property, plant and equipment on terms that are not market related.

The portion of the loan that is repayable, along with any interest payments, is an exchange transaction and is accounted for in accordance with the Standard of GRAP on Financial Instruments. The off-market portion of the loan is a non-exchange transaction. The off-market portion of the loan that is recognised as non-exchange revenue is calculated as the difference between the proceeds received from the loan, and the present value of the contractual cash flows of the loan, discounted using a market related rate of interest.

The recognition of revenue is determined by the nature of any conditions that exist in the loan agreement that may give rise to a liability. Where a liability exists the cash flow statement recognises revenue as and when it satisfies the conditions of the loan agreement.

1.24 Unauthorised expenditure

Unauthorised expenditure is expenditure that has not been budgeted and is expenditure that is not in terms of the conditions of an allocation received from of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No. 56 of 2003).

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.25 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No. 56 of 2003), the Municipal Systems Act (Act No 32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998), or is in contravention of the municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure.

All expenditure relating to irregular expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

Emakhazeni Local Municipality

Financial Statements for the year ended 30 June 2015

Accounting Policies

1.26 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as an expense in the statement of financial performance and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.27 Value added tax

The municipality accounts for Value Added Tax on the cash basis.

1.28 Taxation

The municipality is exempted from tax in terms of Section 10(1)cB(i)(ff) of the Income Tax Act.

1.29 Budget information

The approved budget is prepared on accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from the 1st of July to the 30th of June of the current financial year.

The annual financial statements and the budget are not on the same basis of accounting. The actual financial statement information is therefore presented on a comparable basis to the budget information. The comparison and the reconciliation between the statement of financial performance and the budget for the reporting period have been included in the statement of comparison of budget and actual amounts.

1.30 Related parties

The municipality operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the local sphere of government are considered to be related parties.

Management is those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members whom may be expected to influence, or be influenced by, that management in their dealings with the municipality.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

1.31 Commitments

Items are classified as commitments where the municipality commits itself to future transactions that will normally result in the outflow of resources.

Commitments are not recognised in the statement of financial position as a liability, but are include in the disclosure notes in the following cases:

- * approved and contracted commitments;
- * where the expenditure has been approved and the contract has been awarded at the reporting date; and
- * where disclosure is required by a specific standards of GRAP

Emakhazeni Local Municipality
Financial Statements for the year ended 30 June 2015

Notes to the Financial Statements

Figures in Rand

2015 Restated
2014

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the municipality has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

2.2 Standards and Interpretations early adopted

The municipality has chosen not to early adopt standards and interpretations in this current financial year.

2.3 Standards and interpretations not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2015 or later periods:

2.4 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2015 or later periods but are not relevant to its operations:

3. Investment property

	2015			2014		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	76 280 537	-	76 280 537	76 280 537	-	76 280 537

Reconciliation of investment property - 2015

	Opening balance	Total
Investment property	76 280 537	76 280 537

Reconciliation of investment property - 2014

	Opening balance	Total
Investment property	76 280 537	76 280 537

Restrictions on the reliabilities of investment property or the remittance of revenue and proceeds of disposal are as follows:

Contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements is as follows:

In the exceptional cases when the municipality have to measure investment property using the cost model in the Standard of GRAP on Property, Plant and Equipment when the municipality subsequently uses the fair value measurement, disclose the following:

- a description of the investment property,
- an explanation of why fair value cannot be determined reliably,
- if possible, the range of estimates within which fair value is highly likely to lie, and

Emakhazeni Local Municipality
Financial Statements for the year ended 30 June 2015

Notes to the Financial Statements

Figures in Rand	2015	Restated 2014
-----------------	------	------------------

3. Investment property (continued)

- on disposal of investment property not carried at fair value:
 - the fact that the entity has disposed of investment property not carried at fair value,
 - the carrying amount of that investment property at the time of sale, and
 - the amount of gain or loss recognised.

4. Property, plant and equipment

	2015			2014		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	5 085 952	-	5 085 952	6 662 352	-	6 662 352
Buildings	78 237 073	(43 789 200)	34 447 873	77 041 097	(42 183 968)	34 857 129
Infrastructure	1 209 182 167	(683 318 143)	525 864 024	1 188 008 087	(646 717 088)	541 290 999
Community	33 882 667	(22 719 422)	11 163 245	33 882 667	(21 772 039)	12 110 628
Other property, plant and equipment	33 120 433	(8 129 982)	24 990 451	32 544 159	(6 204 190)	26 339 969
Total	1 359 508 292	(757 956 747)	601 551 545	1 338 138 362	(716 877 285)	621 261 077

Emakhazeni Local Municipality
Financial Statements for the year ended 30 June 2015

Notes to the Financial Statements

Figures in Rand

4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Disposals	Depreciation	Total
Land	6 662 352	-	(1 576 400)	-	5 085 952
Buildings	34 857 128	1 195 976	-	(1 605 231)	34 447 873
Infrastructure	541 290 999	21 174 080	-	(36 601 055)	525 864 023
Community	12 110 628	-	-	(947 383)	11 163 245
Other property, plant and equipment	26 339 969	576 274	-	(1 925 791)	24 990 451
	621 261 076	22 946 330	(1 576 400)	(41 079 460)	601 551 544

Reconciliation of property, plant and equipment - 2014

	Restated opening balance (cost)	Additions	Disposals	Acc Depreciation	Total
Land	6 668 812	-	(26 460)	-	6 662 352
Buildings	36 458 496	-	-	(1 601 368)	34 857 128
Infrastructure	545 588 491	31 187 737	-	(35 485 229)	541 290 999
Community	13 058 011	-	-	(947 383)	12 110 628
Other property, plant and equipment	22 670 131	5 379 960	-	(1 710 122)	26 339 969
	624 463 941	36 567 697	(26 460)	(39 744 102)	621 261 076

Additional information

A register containing the information required by Section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Emakhazeni Local Municipality
Financial Statements for the year ended 30 June 2015

Notes to the Financial Statements

Figures in Rand

2015 Restated
2014

4. Property, plant and equipment (continued)

Reconciliation of Work-in-Progress 2015

	Included within Infrastructure	Total
Opening balance	434 428	434 428
Additions/capital expenditure	14 751 866	14 751 866
Transferred to Additions / other assets	(12 167 502)	(12 167 502)
	3 018 792	3 018 792

Reconciliation of Work-in-Progress 2014

	Included within Infrastructure	Total
Opening balance	2 052 383	2 052 383
Additions/capital expenditure	8 126 637	8 126 637
Transferred to Additions / other assets	(9 744 592)	(9 744 592)
	434 428	434 428

Cash deposits were received from the Department of Sports and Recreation and Department of Education to secure the purchase of property.

5. Intangible assets

	2015			2014		
	Cost / Valuation	Accumulated amortisation and impairment	Carrying value	Cost / Valuation	Accumulated amortisation and impairment	Carrying value
Computer software	1 916 806	(1 462 609)	454 197	1 916 806	(1 253 483)	663 323

Reconciliation of intangible assets - 2015

	Opening balance	Amortisation	Total
Computer software	663 323	(91 548)	454 197

Reconciliation of intangible assets - 2014

	Opening balance	Additions	Amortisation	Total
Computer software	702 449	170 000	(209 126)	663 323

6. Heritage assets

	2015			2014		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Heritage Sites	10 255 716	-	10 255 716	10 255 716	-	10 255 716

Emakhazeni Local Municipality
Financial Statements for the year ended 30 June 2015

Notes to the Financial Statements

Figures in Rand

2015 Restated
2014

6. Heritage assets (continued)

Reconciliation of heritage assets 2015

	Opening balance	Total
Heritage Sites	10 255 716	10 255 716

Reconciliation of heritage assets 2014

	Opening balance	Total
Heritage Sites	10 255 716	10 255 716

Heritage assets which fair values cannot be reliably measured

Berg-en-dal monument

The following heritage asset were not recognised due to a reliable measurement not being possible on initial recognition: Berg-en-dal Monument is located just outside Emakhazeni (Belfast) on the N4 road towards Nelspruit. Erected in 1935, the monument honours those killed at the Battle of Berg-en-dal in Belfast, one of the largest battles of the Anglo-Boer War (1899-1902) in South Africa.

7. Post employment medical aid liability

Medical Scheme Arrangements

The municipality offers employees and continuation members (pensioners) the opportunity of belonging to one of several approved medical aid scheme, most of which offer a range of options pertaining to levels of cover. Upon retirement, an employee may continue membership of the medical scheme. Upon a member's death-in-retirement, the surviving dependants may continue membership of the medical scheme.

Contribution rate structure

Members contribute according to tables of contribution rates which differentiate between them on the type and number of dependants. Some options also differentiate on the basis of income.

Subsidy arrangements

The municipality has agreed to subsidise the medical aid contributions of retired members in the following way:

- All new pensioners will receive a 60% subsidy subject to the maximum amount of R3,763.30 per month per employee. (R3,618.04 in 2014)
- Some continuation members that were retired prior to the introduction of the current policy will continue to receive a 60% subsidy.
- The maximum subsidy is expected to increase at 75% of inflation in 2013 in 2014 it reduced to 50% and now in 2015 it increase at 50%

The amounts recognised in the statement of financial position are as follows:

Carrying value	8 948 000	8 887 000
Present value of the defined benefit obligation-partly or wholly funded		

The fair value of plan assets includes:

Emakhazeni Local Municipality
Financial Statements for the year ended 30 June 2015

Notes to the Financial Statements

Figures in Rand	2015	Restated 2014
-----------------	------	------------------

7. Post employment medical aid liability (continued)

Changes in the present value of the defined benefit obligation are as follows:

Opening balance	8 887 000	10 167 000
Contributions by plan participants	573 000	789 000
Exchange differences	807 000	821 000
Benefits paid	(261 000)	(288 000)
Assumed in an entity combination	(1 058 000)	(2 602 000)
Closing balance	8 948 000	8 887 000

Net expense recognised in the statement of financial performance

Current service cost	573 000	789 000
Interest cost	807 000	821 000
Actuarial (gains) losses	(1 058 000)	(2 602 000)
	322 000	(992 000)

Key assumptions used

Assumptions used at the reporting date:

Discount rates used	9,48 %	8,94 %
Expected rate of return on assets	7,56 %	7,05 %
Expected rate of return on reimbursement rights	8,56 %	8,05 %
Actual return on reimbursement rights	0,85 %	0,82 %

Discount rate

IAS 19 defines the determination of the discount rate assumption to be used as the rate that can be determined by reference to market yields at the financial position date on high quality corporate bonds. In countries where there is no reference to market yields at the financial position date on government bonds should be used. The deep market in such bonds, the market yields (at financial position date) on government bonds should be consistent with the currency and term of the corporate bonds or government bonds should be consistent with the currency and estimated term of the post-employment benefit obligations.

We used the nominal and real zero curves supplied by JSE to determine our discount rates and CPI assumptions at each relevant time period. In the event that the valuation is performed prior to the effective valuation date, we use the prevailing yield at the time of performing our calculations. We have changed this methodology from a point estimate in order to present a more accurate depiction of the liability. For example a liability which pays out in 1 year will be discounted at a different rate than a liability which pays out in 30 years, as at 30th of June 2015.

Medical aid inflation

The medical Aid Contribution Inflation rate was set with reference to the past relationship between the (yield curve based) Discount Rate for each relevant time period and the (yield curve based) Medical Aid Contribution Inflation for each relevant time period.

South Africa has experienced high health care cost inflation in recent years. The annualised compound rates of increase for the last ten years show that registered medical aid schemes contribution inflation outstripped general CPI by almost 3% year on year. The current year's actuaries do not consider these increases to be sustainable and have assumed that medical aid contribution increases would out-strip general inflation by 1% per annum over the foreseeable future.

Average retirement age

The average retirement age for all active employees was assumed to be 63 years. This assumption implicitly allows for ill-health and early retirements.

Emakhazeni Local Municipality
Financial Statements for the year ended 30 June 2015

Notes to the Financial Statements

Figures in Rand

2015 Restated
2014

7. Post employment medical aid liability (continued)

Other assumptions

Assumed healthcare cost trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed healthcare cost trends rates would have the following effects:

	One percenta ge point increase	One percenta ge point decrease
Total accrued liability	9 316 000	9 374 000
Interest cost	866 000	852 000
Service cost	570 000	602 000

The amounts for the current annual reporting period and previous reporting period:

	30 June 2015	30 June 2014
Defined benefit obligation	8 948 000	8 887 000

8. Inventories

Water	49 221	59 548
Inventory	2 254 176	2 084 618
Land	7 020 607	7 020 607
	9 324 004	9 164 773

9. Receivables from non-exchange transactions

Employee Debtors	8 577	30 421
Government grants and subsidies spend but not yet received	11 737	36 237
Traffic fines debtors	476 150	663 951
Expenditure in advance	-	1 018 530
Property rates	2 187 205	9 566 498
Accrued Revenue	1 315 459	-
	3 999 128	11 315 637

Other non-exchange receivables (excl property rates)

	2015	2014
Employee debtors	8 577	30 422
Government grants and subsidies spend but not yet received	11 737	36 237
Traffic fines debtors	520 650	742 700
Impairment of Traffic debtors	(44 500)	(78 900)
Expenditure in advance	-	1 018 530
Accrued Revenue	1 315 459	-
	1 811 923	1 748 989

Net balance

Property Rates

	2015	2014
Business/Industrial/ Institute	9 299 417	10 539 028
Government/State owned	729 423	2 278 583
PSI	(114 562)	739 272
Agricultural	28 791 463	2 010 129
Residential	2 472 831	29 402 206
Allowance for impairment	(38 991 367)	(35 402 720)
	2 187 205	9 566 498

Net balance

Emakhazeni Local Municipality
Financial Statements for the year ended 30 June 2015

Notes to the Financial Statements

Figures in Rand

2015 Restated
2014

9. Receivables from non-exchange transactions (continued)

Property rates

	2015	2014
Current (0-30 days)	5 853 928	3 701 981
31-60 days	1 003 398	3 285 120
61-90 days	948 243	3 095 091
91-120 days	944 288	3 059 618
121->365 days	32 428 715	31 827 408
Allowance for impairment	(38 991 367)	(35 402 720)
	2 187 205	9 566 498

10. Receivables from exchange transactions

Gross balances
Other receivables
Consumer receivables

1 177 009	1 181 143
95 664 223	77 622 147
96 841 232	78 803 290

Less: Allowance for impairment
Consumer receivables

(19 056 790)	(55 053 861)
--------------	--------------

Net balance
Other receivables
Consumer receivables

1 177 009	1 181 143
76 607 433	22 568 286
77 784 442	23 749 429

Other receivables
> 365 days

1 177 009	1 181 143
-----------	-----------

Net Consumer receivables

Current (0 -30 days)	7 184 066	4 193 631
31 - 60 days	2 965 378	3 436 461
61 - 90 days	4 610 101	1 784 977
91 - 120 days	2 111 197	1 701 871
121 - >365 days	78 589 957	66 505 207
Impairment	(19 056 790)	(55 053 861)
	76 403 909	22 568 286

Reconciliation of allowance for impairment
Balance at beginning of the year
Contributions to allowance

(55 053 861)	(39 324 331)
35 997 071	(15 729 530)
(19 056 790)	(55 053 861)

The following councilors consumer debtor's receivable's owing at 30 June 2015:

		Total	Current	30 Days	60 Days	90+ Days
X.S Ngwenya	(Account nr 720008)	R 364.56	R 282.84	R 81.72	R 0.00	R 0.00
N.A Mashela	(Account nr 740573)	R 306.74	R 304.03	R 2.71	R 0.00	R 0.00
S.M Mondlane	(Account nr 1511309)	R 1 471.65	R 210.26	R 210.26	R 210.26	R 840.87

Emakhazeni Local Municipality
Financial Statements for the year ended 30 June 2015

Notes to the Financial Statements

Figures in Rand

2015 Restated
2014

10. Receivables from exchange transactions (continued)

B.S Mabuza	(Account nr 1205790)	R 1 090.97	R 203.58	R 203.58	R 207.58	R 476.23
CV Lello	(Account nr 116092)	R 1 280.52	R 337.21	R 337.21	R 337.21	R 268.89
CN Nkosi	(Account nr 1502173)	R 180.50	R 180.50	R 0.00	R 0.00	R 0.00

11. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	13 976	13 976
Bank	902 537	262 704
Short-term deposits	5 719 848	4 013 362
	6 636 361	4 290 042

Cash and cash equivalents pledged as guarantee

Total financial assets pledged as guarantee for Eskom
Debt factoring arrangement in which the financial counter parties retain recourse
in the event of receivables default

26 300 26 300

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2015	30 June 2014	30 June 2013	30 June 2015	30 June 2014	30 June 2013
FIRST NATIONAL BANK - CHEQUE ACC - 62028195510	814 996	189 461	463 618	902 537	262 704	586 536
FIRST NATIONAL BANK - CALL ACC - 61165004600	2 774 865	1 306 249	2 175	2 774 865	1 306 249	2 175
FIRST NATIONAL BANK - 32-DAY ACC- 74006889065	2 000	2 000	2 000	2 000	2 000	2 000
FIRST NATIONAL BANK - CALL ACC - 62178430212	2 115 630	1 803 062	5 422 255	2 115 630	1 803 062	5 422 255
FIRST NATIONAL BANK - CALL ACC - 62076419508	152 749	902 050	113 329	152 750	902 050	113 329
FIRST NATIONAL BANK- 7-DAY ACC-74483123713	674 603	-	-	674 603	-	-
Total	6 534 843	4 202 822	6 003 377	6 622 385	4 276 065	6 126 295

12. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts
Financial Management Grant
Municipal Systems Improvement Grant
EPWP Grant

1 255 064	-
81 456	-
126 417	-
1 462 937	-

See note 21 for reconciliation of grants from National/Provincial Government.

Emakhazeni Local Municipality
Financial Statements for the year ended 30 June 2015

Notes to the Financial Statements

Figures in Rand

2015 Restated
2014

13. Provisions

Reconciliation of provisions - 2015

	Opening Balance	Additions	Total
Landfill sites rehabilitation	28 777 584	9 865 001	38 642 585
Other provisions	-	848 554	848 554
	28 777 584	10 713 555	39 491 139

Reconciliation of provisions - 2014

	Opening Balance	Additions	Total
Landfill sites rehabilitation	27 152 931	1 624 653	28 777 584
Non-current liabilities		38 642 585	28 777 584
Current liabilities		848 554	-
Total Provisions		39 491 139	28 777 584

Environmental rehabilitation costs

The municipality engages in waste disposal operations from residential and business areas within the borders of the municipality.

The remaining site life for a disposal facility can only be determined for a licensed site, where the maximum permitted waste body height is stipulated in the permit/license. Together with this, a topographical survey of the site is required to determine the remaining airspace volumes. From the site's waste data (disposal rate) the remaining lifetime can be estimated. If a site does not have a weighbridge, assumptions must be made as to the volume of waste landfill at the site in question. Compaction factors and the volume of cover material used will also need to be assumed if this cannot be provided by the site owner/operator.

Due to information not being available, facilities not being licensed or for reasons stated above, the following list of assumptions were made in order to provide an estimation for the rehabilitation of the sites addressed:

- the rehabilitation requirements for Dullstroom and Machadodorp were assumed to be G:C:B- for reasons stated above
- all sites assumed to be B- stated above
- it is assumed that the footprints that require rehabilitation as described and indicated above are correct and will be verified by ELM
- minimal shaping of the waste body required
- the rates for topsoil and/or selected cover material are based on the assumption that it could be imported from nearby areas and that sufficient quantities are available and the material is free of charge
- it was assumed that all the sites are fenced as indicated in the available documentation
- it was assumed that insufficient volumes of clay would be available for the Belfast capping layers and it was replaced with Geosynthetic Clay Liner in the estimate

Legal proceedings provisions

Other provisions are due to the following legal proceedings.

- 1) Mosango Properties - The second respondent which is Siyathuthuka Stars unlawfully occupied the applicant's property and commenced the construction of certain buildings on the property with the apparent blessing of the first respondent which is the municipality. The Sheriff was ordered by the High Court to attach and/or take possession of the account holders' rights & interest in the total amount mentioned above. A provision is made for the outstanding amount of R17,752.43

Emakhazeni Local Municipality
Financial Statements for the year ended 30 June 2015

Notes to the Financial Statements

Figures in Rand

2015 Restated
2014

13. Provisions (continued)

- 2) Parimolapo Developers CC - The plaintiff claims that a contract between Emakhazeni Local Municipality and themselves had been unlawfully terminated. A settlement has been reached which require provision to be made for the outstanding amount of R502 020.
- 3) ELMIR Holdings - This claim relates to the land that was sold to plaintiff with R500 00 next to the hospital for the purpose of development. it was then later realised that two portions of that land doesn't belong to the Municipality but to a private owner. The claim was for out of pocket expenses, refund of the deposit and interest. A settlement has been reached which require a provision to be made for the outstanding amount of R182 528
- 4) A Du Plessis - The municipality was served with a bill of taxation by A Du Plessis. A provision is therefore made for the claim amount of R7 580.
- 5) FST Transport - The municipality was served with a bill of taxation by FST Transport for failing to take note and attend to the notice of taxation by the Magistrate Court. A provision is therefore made for the claim amount of R138 674.

14. Long service award

Long service award arrangements

As per government gazette an employee shall qualify long service reward in terms of leave days credits for the various periods of continuous service completed at the same employer as follows:

- * After 10 years of service - 10 working days
- * After 15 years of service - 20 working days
- * After 20 years of service - 30 working days
- * After 25 years of service - 30 working days
- * After 30 years of service - 30 working days
- * After 35 years of service - 30 working days
- * After 40 years of service - 30 working days
- * After 45 years of service - 30 working days

The leave mentioned may be wholly or partially converted (per day) on the date on which an employee qualifies or at any stage thereafter .
Long service benefits are awarded in the form of a number of leave days awarded once the employee completes a certain number of years in service.

Valuation of assets

The long service leave awards liability of the municipality is unfunded. No dedicated assets have been set aside to meet this number of years in service.

The amounts recognised in the statement of financial position are as follows:

Carrying value
Present value

30 June 2015 30 June 2014
3 604 000 3 251 000

Changes in the present value of the defined benefit obligation are as follows:

	30 June 2015	30 June 2014
Opening balance	3 251 000	2 845 000
Current service cost	387 000	360 000
Interest cost	263 000	216 000
Benefits paid	(179 000)	(269 000)
Actuarial loss / (gain)	(118 000)	99 000
	3 604 000	3 251 000

Net expenses recognised in the statement of financial performance

Emakhazeni Local Municipality
Financial Statements for the year ended 30 June 2015

Notes to the Financial Statements

Figures in Rand

2015 Restated
2014

14. Long service award (continued)

	30 June 2015	30 June 2014
Current service cost	387 000	360 000
Interest cost	263 000	216 000
Actuarial loss / (gain)	(118 000)	99 000
	532 000	675 000

Key assumptions

	30 June 2015	30 June 2014
Discount rate	Yield Curve	7,96 %
Consumer price inflation	Difference between nominal and real yield curve	6,33 %
Normal salary increase rate	Equal to CPI + 1%	7,33 %
Net effective discount rate	Yield Curve Based	0,59 %
		22,21 %

Sub-heading

The effect of a 1% p.a. variance change in the normal salary inflation assumptions are as follows:

2015	One percentage point increase	One percentage point decrease
Total accrued liability	3 906 000	3 549 000
Current service cost	454 000	429 000
Interest cost	370 000	289 000
	4 730 000	4 267 000

The cost of the long service awards is dependent on the increase in the annual salaries paid to employees. The rate at which salaries increase will thus have a direct effect on the long service awards liability.

The interest cost is based on the discount rate assumption for the current valuation which is based on one point on the curve.

The liability amounts for the current annual reporting period and previous reporting period are as follows:

	30 June 2015	30 June 2014
Current obligation portion	229 000	179 000
Non current obligation portion	3 375 000	3 072 000
Total present value of obligation	3 604 000	3 251 000

Emakhazeni Local Municipality
Financial Statements for the year ended 30 June 2015

Notes to the Financial Statements

Figures in Rand

	2015	Restated 2014
15. Payables from exchange transactions		
Trade payables	71 583 592	63 844 046
Debtors received in advance	10 228 021	4 034 193
Consumer deposits	1 647 403	1 609 164
Deferred revenue	8 693 079	8 725 498
Unallocated receipts	8 389 047	7 714 193
Retention	2 674 931	2 191 051
Employee Accrual	462 687	943 244
Leave pay provision	4 754 649	4 282 648
Consumer Refunds	117 031	97 450
	108 550 440	93 441 487
16. Payable from non-exchange transactions		
Pre paid deposit	148 207	148 207
17. VAT payable		
VAT receivable	5 458 019	4 102 979
VAT payable	9 947 103	8 361 642
Net VAT Payable	4 489 084	4 258 663
18. Revenue (excl Interest & other revenue)		
Service charges	63 276 919	64 899 931
Rental of facilities and equipment	805 948	435 338
Income from agency services	3 171 904	2 793 590
Licences and permits	6 096	23 172
Fees earned	713 949	1 067 306
Commissions received	4 679	4 423
Other income	678 070	2 428 063
Interest received - investment	380 058	218 287
Property rates	16 928 257	32 072 145
Government grants & subsidies	62 087 063	55 297 000
Public contributions and donations	8 161 303	25 158 039
Fines	8 873 781	9 939 171
	165 088 027	194 336 465
The amount included in revenue arising from exchanges of goods or services are as follows:		
Service charges	63 276 919	64 899 931
Rental of facilities and equipment	805 948	435 338
Income from agency services	3 171 904	2 793 590
Licences and permits	6 096	23 172
Fees earned	713 949	1 067 306
Commissions received	4 679	4 423
Other income	678 070	2 428 063
Interest received - investment	380 058	218 287
	69 037 623	71 870 110

Emakhazeni Local Municipality
Financial Statements for the year ended 30 June 2015

Notes to the Financial Statements

Figures in Rand

2015 Restated
2014

18. Revenue (excl interest & other revenue) (continued)

The amount included in revenue arising from non-exchange transactions is as follows:

Taxation revenue	16 928 257	32 072 145
Property rates		
Transfer revenue	62 087 063	55 297 000
Government grants & subsidies	8 161 303	25 158 039
Public contributions and donations	8 873 781	9 939 171
Fines		
	96 050 404	122 466 355

19. Property rates

Rates received

Residential	13 568 319	14 949 259
Agriculture	688 785	3 914 061
Government/Stated owned	270 804	5 790 031
PSI	9 472	673 242
Business/Industrial/Institute	3 260 599	6 781 810
Less: Income forgone	(869 722)	(36 258)
	16 928 257	32 072 145

20. Service charges

Sale of electricity	33 173 395	35 437 602
Sale of water	13 305 108	13 953 837
Sewerage and sanitation charges	8 136 024	7 702 383
Refuse removal	8 662 392	7 806 109
	63 276 919	64 899 931

21. Government grants and subsidies

Equitable share	39 995 000	36 151 000
Equitable share Councillors	2 285 000	2 384 000
Financial Management Grant	544 936	1 550 000
Municipal Systems Improvement Grant	852 544	890 000
Municipal Infrastructure Grant	17 232 000	13 322 000
Expanded Public Works Program Incentive Grant	1 108 583	1 000 000
LGSETA Internship program	69 000	-
	62 087 063	55 297 000

Housing Project

Current year receipts	-	3 470 105
Conditions met - expenditure	-	(3 470 105)
Restated closing balance	-	-

Emakhazeni is acting as an agent on behalf of the Department of Human Settlement with regard to this subsidy by receiving the subsidy on behalf of the contractor and paying the contractor on behalf of the department.

Emakhazeni Local Municipality
Financial Statements for the year ended 30 June 2015

Notes to the Financial Statements

Figures in Rand

2015 Restated
2014

21. Government grants and subsidies (continued)

Municipal Infrastructure Grant

Balance unspent at beginning of year	-	11 093 354
Current year receipts	17 232 000	13 322 000
Conditions met transferred to revenue	(17 232 000)	(13 644 414)
MIG money paid back to Treasury (by means of withholding of funds)	-	(10 770 940)
Accumulative Rollover	-	-

This grant is a conditional grant. The purpose of this grant is for the construction and upgrade of infrastructure to a basic level to ensure service delivery.

Financial Management Grant

Current year receipts	1 800 000	1 550 000
Conditions met - transferred to revenue	(544 936)	(1 550 000)
Rollover	1 255 064	-

This grant is a conditional grant. This grant is for the purpose to assist in financial management of the Financial department within a municipality.

Municipal Systems Improvement Grant

Current year receipts	934 000	890 000
Conditions met - transferred to revenue	(852 544)	(890 000)
Rollover	81 456	-

This is a conditional grant. The purpose of this grant is to assist municipalities in building in-house capacity to perform their functions and stabilise institutional and governance systems as required in the Municipal Systems Act of 2000.

Emakhazeni Local Municipality
Financial Statements for the year ended 30 June 2015

Notes to the Financial Statements

Figures in Rand

	2015	Restated 2014
21. Government grants and subsidies (continued)		
Expanded Public Works Programme		
Balance unspent at beginning of year	-	67 305
Current year receipts	1 235 000	1 000 000
Conditions met - transferred to revenue	(1 108 583)	(1 000 000)
EPWP money paid back to Treasury (by means of withholding of funds)	-	(67 305)
Rollover	126 417	-
This is a conditional grant. The purpose of this grant to create temporary work opportunities and income for unemployed community members.		
22. Other income		
Sundry revenue	495 088	2 152 742
Membership fees	3 982	6 321
Long service award movement	179 000	269 000
	678 070	2 428 063
23. Donations		
In kind: Other assets	543 113	5 020 387
Cash: Youth development	-	30 000
In kind: Infrastructure assets	6 422 214	20 107 652
In kind: Buildings	1 195 976	-
	8 161 303	25 158 039

Emakhazeni Local Municipality

Financial Statements for the year ended 30 June 2015

Notes to the Financial Statements

Figures in Rand

	2015	Restated 2014
24. General expenses		
Advertising	199 231	208 493
Auditors remuneration	2 692 250	2 919 293
Bank charges	364 706	516 160
Information books	20 778	53 203
Chemicals	291 102	-
Cleaning	31 670	129 217
Community development and training	194 591	293 085
Consulting and professional fees	4 184 075	3 319 840
Donations	31 262	48 741
Entertainment	96 296	94 631
Free basic services	871 512	2 340 069
Fuel and oil	2 254 627	2 796 967
Milk and water sample testings	13 361	-
Protective clothing	235 141	666 434
Insurance	658 118	512 213
Indigent fund	1 494 609	374 139
IT Expenses	2 375	31 843
Licenses fees	1 025 646	992 072
Water manufacturing expenses	5 241 865	6 470 763
Material and Stock	30 342	92 063
Other expenses	182 188	1 061 471
Printing and stationery	1 182 693	1 058 880
Refuse	51 153	43 216
Rental expenses	805 850	705 689
Rehabilitation landfill site	9 865 001	1 654 122
Subscriptions and membership fees	9 581	787 918
Telephone and fax	1 745 833	1 419 431
Law enforcement service fee	4 448 122	4 736 785
Tollgates	40 414	45 918
Training	48 500	325 335
Transport/travel cost & Subsistence	321 614	479 331
	38 636 506	34 177 322

In terms of Sec 125 (c) of MFMA the Audit Fees not yet paid on 30 June 2015 amounted to R 0.00.

Consulting and professional fees are made up of the following services:

	2014/2015	2013/2014
* Economic services	R 3,523,105	R 2,666,784
* Engineering services	R 660,970	R 653,056

Emakhazeni Local Municipality
Financial Statements for the year ended 30 June 2015

Notes to the Financial Statements

Figures in Rand

	2015	Restated 2014
25. Employee related costs		
Basic	37 939 652	35 805 624
Bonus/13th cheque	2 715 548	2 651 208
Medical aid - company contributions	2 466 461	2 451 440
UIF	373 387	366 230
Skills Development Levy	489 710	471 341
Leave pay provision charge	1 022 384	287 509
SALGBC	25 180	24 892
Group & Provident Fund	23 462	27 107
Medical retirement benefit	1 629 178	1 865 025
Pension	7 366 307	7 206 815
Overtime payments	2 277 392	2 525 655
Long-service awards	650 000	576 000
Standby allowances	991 656	1 050 451
Car allowances	4 624 311	4 660 334
Housing benefits and allowances	48 188	48 974
Acting allowances	418 649	941 165
Telephone allowance	229 450	203 057
	63 290 915	61 162 827

In terms of Sec 125 (c) of MFMA the following amounts are still outstanding as at 30 June 2015:

PAYE: R 1 198 158.71

Pension fund contributions: R 957 236.06

Medical aid contributions: R 436 516.05

Emakhazeni is a category 2 municipality as per the Categorization and Job Evaluation Wage Curves Agreement that whereby employee cost and council members remuneration are implemented as a category 2 municipality.

Remuneration of EK Tshabalala - Acting Municipal Manager

Telephone allowance	2 500	-
---------------------	-------	---

Ms EK Tshabalala serves as Acting Municipal Manager seconded by COGTA since 15 January 2015.

The expenditure of the Acting Municipal Manager is included under Employee related cost - this is only a breakdown.

Remuneration of TJ Shoba - Municipal Manager

Annual remuneration	328 312	440 241
Car allowance	73 092	125 300
Leave paid out	-	94 812
Contributions to UIF, medical and pension funds	96 097	135 886
SALGBC and Skills development	3 968	7 884
Acting Allowance	-	106 501
Back pay	-	34 690
Telephone Allowance	7 087	-
	508 555	945 314

Mrs TJ Shoba served as Acting Municipal Manager since 09/03/2013 until 18/03/2014.

Mrs TJ Shoba serves as Municipal Manager as from 19/03/2014 until her resignation date of 14/01/2015.

The expenditure of the Municipal Manager is included under Employee related cost - this is only a breakdown.

Emakhazeni Local Municipality
Financial Statements for the year ended 30 June 2015

Notes to the Financial Statements

Figures in Rand

2015 Restated
2014

25. Employee related costs (continued)

Remuneration of SA Khumalo - Technical Services Manager

Annual remuneration	-	206 654
Car allowance	-	91 987
Contributions to UIF, medical and pension funds	-	66 435
SALGBC & skills development contributions	-	3 695
Back pay	-	23 590
Leave paid out	-	58 584
	-	450 945

Mr SA Khumalo served as Manager Technical Services until 24/01/2014.

The expenditure of the Manager Technical Services Manager is included under Employee related cost - this is only a breakdown.

Remuneration of N Singh - Community Services Manager

Annual remuneration	401 570	385 480
Car allowance	150 077	150 077
Telephone allowance	9 000	9 000
Contributions to UIF, medical and pension funds	130 623	123 223
SALGBC & skills development contributions	5 491	5 535
Back pay	-	23 590
	696 761	696 905

The expenditure of the Community Services Manager is included under Employee related cost - this is only a breakdown.

Remuneration of IM Abdullah - Corporate Services Manager

Annual Remuneration	374 690	-
Leave Paid Out	37 118	-
Acting Allowance	21 789	100 984
Telephone Allowance	8 250	-
Car Allowance	116 088	-
Housing Allowance	6 402	-
Market Premium Allowance	26 215	-
Insurance Allowance	4 500	-
Backpay	-	-
Contribution to UIF, Medical Aid and Pension Funds	115 492	-
SALGBC and Skills development	11 136	-
	721 680	100 984

Mr IM Abdullah serves as Acting Corporate Services Manager since 09/03/2013 until 30/09/2014.

Mr IM Abdullah serves as Corporate Services Manager as from 01/10/2014.

The expenditure of the Corporate Services Manager is included under Employee related cost - this is only a breakdown

Remuneration of LO Sindane - Technical Service Manager

Annual Remuneration	404 196	-
Leave Paid Out	18 715	-
Acting Allowance	8 125	50 465
Telephone Allowance	8 250	-

Emakhazeni Local Municipality
Financial Statements for the year ended 30 June 2015

Notes to the Financial Statements

Figures in Rand

	2015	Restated 2014
25. Employee related costs (continued)		
Car Allowance	130 289	-
Market Premium Allowance	26 215	-
Backpay	1 192	-
Contribution to UIF, Medical Aid and Pension Funds	74 540	-
SALGBC and Skills development	5 487	-
	677 009	50 465

Mr LO Sindane served as Acting Manager Technical Service since 20/12/2013 to 30/04/2014

Mr LO Sindane serves as Manager Technical Services as from 01/10/2015..

The expenditure of Technical Service Manager has been included under Employee related cost - This is only a breakdown.

Remuneration of LC Oosthuizen - Acting Community Manager

Acting Allowance	-	3 877
------------------	---	-------

Mr LC Oosthuizen served as Acting Manager Community Service since 20/12/2013 to 08/01/2014.

The expenditure for Acting Manager Community Service has been included under Employee related cost - this is only a breakdown

Remuneration of LD Mkhonza - Planning and Development Manager

Annual remuneration	439 904	252 289
Car Allowance	103 309	60 263
Telephone Allowance	9 000	5 250
Acting Allowance	-	49 498
Contribution to UIF, Medical and Pension funds	139 056	78 723
SALGBC and Skills development	5 594	3 041
Backpay	-	6 129
	696 863	455 193

Mr LD Mkhonza serves as Manager Planning and Development as from 04/12/2013.

The expenditure for Manager Planning and Development is included under Employee related costs - This is only a breakdown.

Remuneration of MM Ngwenya - Chief Financial Officer

Annual remuneration	454 905	116 255
Car Allowance	90 509	22 627
Telephone Allowance	9 000	2 352
Leave Paid Out	-	53 743
Contributions to UIF, Medical and Pension funds	136 856	32 196
SALGBC and Skills development	5 455	1 957
Back pay	-	6 529
	696 725	235 659

Mrs MM Ngwenya serves as Chief Financial Officer as from 19/03/2014.

The expenditure for Chief Financial Officer is included under Employee related cost - this is only a break down

Emakhazeni Local Municipality
Financial Statements for the year ended 30 June 2015

Notes to the Financial Statements

Figures in Rand

		2015	Restated 2014
26. Remuneration of councillors			
Total		5 069 866	4 811 990
Executive Mayor			
Ngwenya XSH	Annual remuneration 350 285 Telephone allowance 21 768 Vehicle allowance 161 051 Housing allowance 35 000	Backpay 31 260	Company contributions 101 869
Executive Committee			
Hadebe MU	Annual remuneration 283 220 Telephone allowance 21 768 Vehicle allowance 120 788	Backpay 24 120	Company contributions 82 030
Mashele NA	293 433 21 768 120 788	24 120	71 743
Radebe ES	302 073 21 768 120 788	24 120	63 041
	878 726	72 360	216 814
Speaker			
Kambula M	Annual remuneration 413 647 Telephone allowance 21 768	Backpay 25 548	Company contributions 64 161
Councillors			
Botha AA	Annual remuneration 126 040 Telephone allowance 21 768 Vehicle allowance 48 315	Backpay 11 268	Company contributions 20 050
Gwebu SP	99 932 21 768 48 315	11 268	46 347
Ntuli MP	147 357 19 160	11 268	22 933
Lello CV	126 040 21 768 48 315	11 268	20 050
Mabuza BS	126 040 21 768 48 315	11 268	20 050
Mashele RB	141 945 21 768	11 268	52 441
Masina XD	126 040 21 768 48 315	11 268	20 050
Mondlane SM	168 053 21 768	11 268	26 144
Nkosi CN	155 027 21 768	11 268	39 264
Stevens JJ	69 767 21 768 48 315	11 268	76 730
	1 286 241	112 680	344 059
The remuneration of the political office-bearers and councillors are within the upper limits as determined by the framework envisaged in section 219 of the Constitution.			
27. Debt impairment			
Contributions to debt impairment provision		(32 363 924)	31 304 359
28. Investment revenue			
Interest revenue		16 817	21 928
Interest on cheque account		363 241	196 359
Interest on investment account		380 058	218 287
29. Depreciation and amortisation			
Property, plant and equipment		41 079 460	39 744 103
Intangible assets		209 126	209 126
		41 288 586	39 953 229

Emakhazeni Local Municipality

Financial Statements for the year ended 30 June 2015

Notes to the Financial Statements

Figures in Rand

	2015	Restated 2014
30. Finance costs		
Interest paid	4 080 324	3 839 240
Total interest revenue, calculated using the effective interest rate, on financial instruments not at fair value through surplus or deficit amounted to R380 058 (2014: R218287).		
31. Auditors' remuneration		
Fees	2 692 250	2 919 293
32. Operating lease		
A lease contract was entered into between the municipality and Ms AD Nel for the lease of a premises. The premises is leased to facilitate the municipality's Technical services offices. The lease period on month to month basis with a yearly 6.5% lease payment escalation.		
Minimum lease payment due	421 740	-
Within one year		
A lease contract was entered into between the municipality and Seartec Trading (Pty) Ltd T/A Sharp Electronics for the rental of photocopier machines. This lease is for the period of three years. The lease repayment is at a fixed amount over the lease term with no escalation clause.		
Minimum lease payment due	308 429	-
Within one year	616 858	-
In second year to fifth year	925 287	-
33. Contracted services		
Security Services	3 272 476	3 548 460
34. Bulk purchases		
Electricity	39 403 834	35 302 306

Emakhazeni Local Municipality

Financial Statements for the year ended 30 June 2015

Notes to the Financial Statements

Figures in Rand	2015	Restated 2014
35. Cash generated from operations		
Surplus (deficit)	1,375,529	(21,399,192)
Adjustments for:		
Depreciation and amortisation	41,288,566	39,953,229
Gain/(loss) on sale of assets	-	(8,167)
Loss of money due to theft	340	-
Gain/(loss) on actuarial valuation	(1,437,000)	(2,791,000)
Impairment on asset	-	14,756
Debt impairment	(32,363,924)	31,304,359
Increase in assets	-	-
Movements in retirement benefit assets and liabilities	-	(1,280,000)
Movements in provisions	10,713,555	1,654,112
Other non-cash items	(5,148,241)	6,662,007
Changes in working capital:		
Inventories	(159,231)	(7,405,000)
Consumer receivables	(21,671,089)	(24,085,542)
Other receivables from non-exchange transactions	7,316,510	4,528,606
Payables from exchange transactions	15,108,953	20,118,748
VAT	230,421	(1,521,977)
Payables from non-exchange transactions	-	(352,399)
Unspent conditional grants and receipts	1,462,937	(11,160,659)
Movement in Long service award	353,000	406,000
Movement in Post employment medical aid liability	61,000	-
	17,131,346	34,637,883
36. Commitments		
Authorised current expenditure		
Approved and contracted for		
- Contractors	9 841 227	760 805
- Insurance	593 473	85 187
- Security	314 585	-
	10 749 285	846 992
Authorised capital expenditure		
Approved and contracted for		
• Roads, Pavements, Bridges & Stormwater	251 016	1 113 703
• Water & Sewer Reticulation	1 420 390	421 128
• Water Reservoir	-	355 734
• Other	-	13 366
	1 679 406	1 903 931
The committed capital expenditure relates to plant and equipment and will be financed by external funds (conditional grants).		
The committed current expenditure relates to operating expenditure and will be financed by internal funds.		
This expenditure will be financed for 2015/2016 from:		
1.) Government Grants	R 1 679 406	
2.) Own Funds	R 10 749 284	
This expenditure will be financed for 2014/2015 from:		
1.) Government Grants	R 1 903 931	
2.) Own Funds	R 845 992	

Emakhazeni Local Municipality

Financial Statements for the year ended 30 June 2015

Notes to the Financial Statements

Figures in Rand

2015
Restated
2014

37. Contingencies

Contingent liabilities

Forthwith is a list of possible liability claims where the outcome was unknown at year end.

- 1). Parimolapo Developers CC - The plaintiff claims that a contract between Emakhazeni Local Municipality and themselves had been unlawfully terminated. The claim is for the amount of R 992 774. A settlement has been reached in the current year and therefore this claims require a provision to be made. See provision - Note 15
- 2). ELMIR Holdings - This claim relates to the land that was sold to plaintiff with R500 00 next to the hospital for the purpose of development. it was then later realised that two portions of that land doesn't belong to the Municipality but to a private owner. The claim is for the amount of R1 500 000 as the plaintiff added their expenses incurred for designs and studies. A settlement has been reached in the current year and therefore this claims require a provision to be made. See provision - Note 15
- 3). C. Meadows - Municipality received a claim damages for collision of Municipal TLB driven by France Mahlangu and a vehicle. The claim is for the amount of R48 000. A settlement has been reached in the current year and this settlement was paid.
- 4). Collin Zimu and others - A lawsuit was received from the family attorneys for negligence on the side of the municipality and liability claim is anticipated not to exceed R500 000.
- 5). M. Saunders - Ms Saunders claimed that she fell into a storm water drain which was opened in Dullstroom and as a result she sustained serious injuries. The claim is for the amount of R100 000
- 6). Magoveni Business Trust - Magoveni Holdings claim that municipality appointed them with a letter dated 06th of May 2013 and entered into a service level agreement on the 15th May 2013 for a period of three years, Where in Magoveni was to assist the municipality with the provision of credit control and debt collection support. The contract was terminated by the municipality. The claim is for the amount R3 144 235
- 7). Road Freight Association - The municipality has entered into the service level agreement with Emakhazeni Municipal fire and emergency service on 3 January 2013. In terms of this agreement Emakhazeni Fire and Emergency Services was expected to render fire and emergency service for and on behalf of the municipality. It is evident that there were acts committed by Emakhazeni Fire and Emergency Services that led to institution of the legal action by the Road Freight Association against the municipality and others. The road freight association requested the court to invoke the provisions of section 1, 9 and 10 of the Fire Brigade Service Act, Act 99 of 1987 of charging the fee to trucking companies for the purported performance of "primary incident management services" and "Scene safety services" in the manner described and in the circumstances articulated.
- 8). SAMWU - Municipal employees embarked on an unprotected strike without any engagements and/or dispute with the municipality.
- 9). JJ Nelson - The municipality received a claim being personal injuries and damages to the plaintiff's motorcycle when the plaintiff hit a pothole. The claim is for the amount of R638 315.

Contingent assets

- 1) SAMWU Provident Fund - this claim relates to a refund due to the Municipality for Provident Fund Contributions made toward members who was found to have transferred to the Municipal Employees Pension Fund. The claim is for the amount of R 3 151 603
- 2) P.E. Fakude - this claim relates to the former employee of Emakhazeni LM she was charged for the money that she collected for banking purposes but she did not bank such money amounting to R300 000
- 3) Shatadi Auctioneers - This claim relates the municipality entered into a Service Level Agreement with Shatadi Auctioneers on the 04th July 2013, wherein Shatadi was appointed to dispose the redundant assets on behalf of the municipality. In terms of clause four (4) of the agreement Shatadi was supposed to pay the proceeds of the sale to the municipality within seven (7) working days of receiving the money, but to date they have not done so. This claim is for the amount of R791 931

Emakhazeni Local Municipality
Financial Statements for the year ended 30 June 2015

Notes to the Financial Statements

Figures in Rand

2015 Restated
2014

37. Contingencies (continued)

4) B.J. Mashifane - This claim relates to the former employee of the municipality whom was charged for financial misconduct which led to the loss in the amount of R139 703.

5) Magoveni Business Trust - This claim relates to the municipality appointed Magoveni Holdings with a letter dated the 06th of May 2013 and entered into a service level agreement on the 15th of May 2013 for a period of three years, wherein Magoveni was to assist the municipality with provision of credit control and debt collection support. The contract was terminated by the municipality. At the time of termination some outstanding fees was due to the municipality. The amount the municipality claims is R6 562 951.

38. Related parties

Members of key management - Section 57

(Refer to note 27 for remuneration etc)

Ms EK Tshabalala (Acting Municipal Manager -
Seconded by COGTA)
Ms TJ Shoba (Municipal Manager - resigned Jan 15)
Ms MM Ngwenya (Chief Financial Officer)
Mr LO Sindane (Manager Technical Services)
Ms N Singh (Manager Community Services)
Mr I Abdulla (Manager Corporate Services)
Mr LD Mkhonza (Manager Planning and
Development)
Mrs M Tshabangu (MFIP Phase II Advisor - National
Treasury)

Members of council
(Refer to note 28 for remuneration etc)

Mr XS Ngwenya (Executive Mayor)
Ms M Kambula (Speaker)
Mr SM Mondlane (Chief Whip)
Mr MU Hadebe (Mayoral Committee member)
Ms NA Mashele (Mayoral Committee member)
Ms ES Radebe (Mayoral Committee member)
Ms AA Botha (Council member)
Ms SP Gwebu (Council member)
Mr RB Mashele (Council member)
Mr CV Lello (Council member)
Ms BS Mabuza (Council member)
Mr XD Masina (Council member)
Mr MP Ntuli (Council member)
Ms CN Nkosi (Council member)
Mr JJ Stevens (Council member)

Audit Committee

Mr MA Maphetho (Chairperson)
Mr L Langalibalele (Member)
Advocate L Thubakgale (Member)
Mr S Ngwenya (Member)
Mr MG Mathabathe (Member)
Mr VK Chuene (Member - contract expired Feb 15)
Mr T Gafane (Member - contract expired Feb 15)

Retirement Benefit

IJ Berrange
SW Joubert
HS Lewis
AC Mare'
MJ Pienaar
AC Strydom
MD Minnaar

No related parties transactions were incurred by councilors, management and staff of Emakhazeni.

Emakhazeni Local Municipality
Financial Statements for the year ended 30 June 2015

Notes to the Financial Statements

Figures in Rand

2015 Restated
2014

39. Prior period errors

Nature	Ref note nr	Effect on accumulate surplus	Amount of Prior year error
1.) General expenditure: Line item TMT expenditure has been renamed Law enforcement service fee	Note 24	-	-
2.) Inventory: Sub line items has been restated between inventory and water inventory.	Note 8	-	-
3.) Receivables from non-exchange transactions: Sub line Property rates has been restated into categories of consumer debtors.	Note 9	-	-
4.) Property rates: Note have been restated where it has been sub divided into corrected categories.	Note 19	-	-
5.) Employee related cost: Sub line item PMU salaries has been restated under line item basic salaries.	Note 25	-	-
6.) Understated Government grants and subsidy (Receivables from non-exchange) and Understated Pre-paid deposits (Payables from non-exchange transactions), due to wrong classification of conditional subsidy received.	Note 9	-	1 943
7.) Long service Awards: It has been restated whereby the amount has been split between current liabilities and non-current liabilities.	Note 14	-	-
8.) Understated Repairs and Maintenance and Overstated Inventory, due to a calculation error and opening balance of water inventory.	Note 8	5 435	5 435
9.) Overstated Revenue from non-exchange (Property Rate) and Receivable from non-exchange transactions (Property Rates), due to consumer accounts that was incorrectly billed.	Note 9	22 414 498	22 414 498
10.) Overstated Revenue from exchange transaction (Service charges) and Overstated Receivable from exchange transactions, due to incorrect consumer billing.	Note 10	38 409	38 409
11.) Understate Revenue (Income from agency services) and Understated Receivables from non-exchange transaction, due to information not being available.	Note 9	(151)	151
12.) Overstated Revenue (Income from agency services) and Understated Payables from exchange transactions, due to information not being available.	Note 15	995	995
13.) Understated Revenue (Public contributions and Donations) and Understated Property, Plant and Equipment, due to a new asset register being introduced.	Note 4	(14 879 476)	14 879 476
14.) Understated Revenue (Fines) and Understated Receivables from non-exchange transactions, due to correction of compliance to Grap 23.	Note 9	(732 250)	732 250
15.) Overstated Revenue (Other revenue) and Understated Payables from exchange transactions, due to new asset register being introduced corrections are done.	Note 15	600 664	600 664
16.) Understated Revenue (Other revenue) and Overstated Payables from non-exchange transactions, due to information not being available.	Note 16	(324 342)	324 342
17.) Overstated Revenue (Other revenue) and Overstated Receivables from exchange transactions, due to creditors reconciliation not done at the required time.	Note 10	286 969	286 969
18.) Understated Revenue (Other revenue) and Understated VAT payable, due to VAT reconciliation not being correctly done.	Note 19	(2 252 732)	2 252 732
19.) Understated Expenditure (Employee cost) and Understated Payables from exchange transactions, no information provided for correct accounting at that time.	Note 25	663 605	663 605
20.) Overstated Expenditure (Depreciation) and Understated Property, Plant and Equipment, due to new asset register being introduced corrections are done.	Note 29	(9 366 283)	9 366 283

Emakhazeni Local Municipality
Financial Statements for the year ended 30 June 2015

Notes to the Financial Statements

Figures in Rand

		2015	Restated 2014
39. Prior period errors (continued)			
21.) Understated Expenditure (Finance cost) and Understated Payables from exchange transactions, due to reconciliation for VAT/Creditors not done at the required time.	Note 30	772 715	772 715
22.) Understated Expenditure (Finance cost) and Understated VAT payable, due to VAT reconciliation not being correctly done.	Note 30	904 771	904 771
21.) Understated Expenditure (Debt impairment) and Overstated Receivables from non-exchange transactions, due to correction of compliance to Grap 23.	Note 9	78 900	78 900
24.) Understated Expenditure (Repairs and Maintenance) and Overstated Property, Plant and Equipment, due to new asset register being introduced corrections are done.	Note 4	38 249	38 249
25.) Understated Expenditure (Repairs and Maintenance) and Understated Payables from exchange transaction, due to reconciliation not done correctly.	Note 15	247 526	247 526
26.) Understated Expenditure (Bulk purchases) and Understated Payables from exchange transaction, due to reconciliation not done correctly.	Note 33	1 046 077	1 046 077
27.) Understated Expenditure (General Expenditure) and Understated Payables from exchange transactions, due to reconciliation not done correctly.	Note 24	900 107	900 108
29.) Understated Payables from exchange transaction and Understated Property, Plant and Equipment, due to new asset register being introduced corrections are done.	Note 4	-	57 873
30.) Understated Receivables from non-exchange transaction (Traffic debtors) and Understated Payables from exchange transactions (Pre paid deposits), due to correction of compliance to Grap 23.	Note 9	-	10 450
31.) Understated Receivables from non-exchange transactions and Understated VAT payable, due to VAT reconciliation not being correctly done.	Note 9	-	4 102 979
32.) Overstated Expenditure (Accumulated Surplus) and Understated Property, Plant and Equipment, due to new asset register being introduced corrections are done.	Note 4	-	186 292 744
33.) Understated Payables from non-exchange transactions and Overstated VAT payable, due to VAT reconciliation not being correctly done.	Note 16	-	7 778 488
34.) Overstated Revenue from non-exchange (Property Rates) and Overstated Expenditure (General Expenditure), due to rebates on revenue being disclosed as expenditure instead of revenue forgone.	Note 16	-	36 258
		443 686	-

40. Risk management

Financial risk management

The municipality's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk), cash flow interest rate risk, credit risk and liquidity risk.

Liquidity risk

Emakhazeni manages its liquidity risks by managing its working capital, capital expenditure, external borrowings.

Interest rate risk

Emakhazeni is exposed to interest rate risks on its financial liabilities. In the prior financial years the municipality had 11 variable interest bearing finance leases with Wesbank, these leases were repaid and therefore at the end of the financial year there were no interest bearing finance leases. Refer to Appendix A.

Emakhazeni Local Municipality
Financial Statements for the year ended 30 June 2015

Notes to the Financial Statements

Figures in Rand

2015
Restated
2014

40. Risk management (continued)

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Currency risk

Emakhazeni is not exposed to any Currency risks as all transactions are undertaken in Rands.

41. Unauthorised expenditure

Unauthorized expenditure for the prior year (non-cash items)	44 269 845	42 960 082
Unauthorised expenditure incurred in the current year (non-cash item)	-	1 309 763
Condoned during the 2013/2014 financial year	-	(42 960 082)
	44 269 845	1 309 763

The Fruitless and Wasteful expenditure for 2014/2015 will also be unauthorised as it was not fully budgeted for, but in terms of Circular 68 Unauthorized, Irregular and Fruitless and Wasteful expenditure is one category and therefore it is only disclosed under Fruitless and Wasteful expenditure.

The unauthorised expenditure for the financial year 2013/2014 was, due to expenditure (non-cash items) which were not budgeted for in the annual and adjustment budget. The line item that created the unauthorized expenditure is the TMT Services expenditure. The TMT services generated more revenue received by ELM than anticipated (which means the revenue budget was exceeded) and therefore the contra transaction for expenditure related to this services exceeded the budget expenditure. This expenditure is still under investigation

The unauthorised expenditure for the financial year 2012/2013 was, due to expenditure (non-cash items) which were not budgeted for in the annual and adjustment budget. These two items is:

- 1) Depreciation
- 2) Provision Landfill site rehabilitation

The unauthorised expenditure for the financial year 2012/2013 were condoned by council but in terms of Circular 68 it was to be investigated and therefore this expenditure is still under investigation.

42. Fruitless and wasteful expenditure

Opening balance	3 296 037	1 134 283
Fruitless and wasteful expenditure incurred during the year	4 080 324	2 161 754
Fruitless and wasteful expenditure condoned during the year	-	(1 729 787)
Less: Fruitless and wasteful expenditure reversed condoned	-	1 729 787
	7 376 361	3 296 037

The 2014/2015 fruitless and wasteful expenditure were incurred due to interest paid or to be paid to creditors. As per Circular 68 all Fruitless and wasteful expenditure should be investigated and therefore these expenditure is currently still under investigation

The 2013/2014 fruitless and wasteful expenditure were incurred due to interest paid or to be paid to creditors. A draft report on the fruitless and wasteful expenditure have been submitted and condoned, but additional transactions will reflect in the final report and this report will still have to be submitted to council. As per Circular 68 all Fruitless and wasteful expenditure should be investigated and therefore these expenditure is currently still under investigation

The 2012/2013 fruitless and wasteful expenditure were incurred due to interest paid or to be paid to creditors. The amount of fruitless and wasteful expenditure increase due to prior year error and therefore prior error transactions will still have to be submitted to council. As per Circular 68 all Fruitless and wasteful expenditure should be investigated and therefore these expenditure is currently still under investigation.

Emakhazeni Local Municipality
Financial Statements for the year ended 30 June 2015

Notes to the Financial Statements

Figures in Rand

	2015	Restated 2014
43. Irregular expenditure		
Opening balance	5 137 258	1 736 285
Add: Irregular Expenditure - current year	2 316 094	3 400 973
Less: Amounts condoned	-	(3 400 973)
Add: Reversed amount condoned	-	3 400 973
	7 453 352	5 137 258

Details of irregular expenditure – current year to be send for investigation before condonement
Disciplinary steps taken/criminal proceedings

SCM: Less than three quotations obtained	None	2 316 094
--	------	-----------

Details of irregular expenditure not recoverable (not condoned)

The 2012/2013 and 2013/2014 irregular expenditure that were incurred as per Circular 68 all Irregular expenditure should be investigated and therefore these expenditure is currently still under investigation.	5 137 258
--	-----------

44. Budget differences

Material differences between budget and actual amounts

The excess of actual expenditure over the final budget of 15% will be treated as material differences between the final budget and the actual amounts.

Statement of Performance:

- 1) Rental facilities - the variance is attributable to the fact that the municipality had leased municipal property.
- 2) Income from agency - the variance is attributable to the fact that licensing department collected more money on behalf of the Mpumalanga Provincial Government for Learners licences, Card licences etc, which lead to the municipality earning more revenue for services rendered than anticipated.
- 3) Other income - actual receipts exceeding budget for the Igseta incentives received that was more than anticipated and sundry funds were receive of which was more than budgeted amount.
- 4) Interest received - interest earned on the investment accounts have yield more interest than anticipated due to more amounts invested than anticipated.
- 5) Property rates - MEC resolution was taken to prohibit the municipality to bill according to the valuation roll of 2014/2015, instead the municipality had to bill rates in the current year according to the valuation roll of 2013/2014.
- 6) Public contributions and donations - the variance is attributable to a donation received which was not confirmed at the time of the budget, but which realized.
- 7) Fines - the variance is attributable to the fact that the traffic fines collected were more than anticipated for the current year whereby the services of TMT Service were utilised.
- 8) Personnel - the non realising of the budget is due to vacancies that is not yet filled.
- 9) Administration - due to cash flow circumstances the planned administration cost were not incurred.
- 10) Depreciation and amortization - a new asset register back dating to 2009 has been introduced as a prior year error to the financial statements, which results the actual values to be less than original anticipated.

Emakhazeni Local Municipality
Financial Statements for the year ended 30 June 2015

Notes to the Financial Statements

Figures in Rand

2015	Restated 2014
------	------------------

44. Budget differences (continued)

- 11) Finance cost - due to cash flow circumstances the municipality is incurring interest and penalties from the creditors which is higher than anticipated.
- 12) Repairs and maintenance - due to cash flow circumstances the planned repairs and maintenance were not executed as budgeted.
- 13) Gain/(loss) on sale of assets - properties of which deposits have been received were not transferred yet therefore the actual did not yield as anticipated.
- 14) Gain/(loss) on actuarial valuation - the variance is due to the fact that a loss was budgeted for and instead the actual was a gain.
- 15) Loss of cash - the actual cash that was not deposited by SBV into the municipal primary bank account.
- 16) Debt impairment - the estimate calculation for provision of bad debts resulted to be a decrease in the provision for the current year whereby the budget done on the basis that the provision should increase.

Statement of Position:

- 17) Inventories - the budget amount was lower than the actual inventory amount at year end, due to land parcels that can be sold have not been budgeted for as it realised with the new asset register being uploaded.
- 18) Receivables from non-exchange transaction - the budget amount was lower than the actual receivables from non-exchange, due to no budget amount provided for accrued revenue at year end.
- 19) Receivables from exchange transaction - the budget for exchange transactions were lower than the actual amount, due to the estimate of impairment of consumer debtors were budgeted to increase which would lead the fair value of debtors to decrease, but instead the impairment decreased which resulted the fair value of debtors to increase.
- 20) Cash and cash equivalent - the variance is due to the actual short term investment amount was more than was estimated to have been at year end.
- 21) Investment property - a new asset register back dating to 2009 has been introduced as a prior year error to the financial statements, which results the actual values to be more than original anticipated.
- 22) Property, plant and equipment - a new asset register back dating to 2009 has been introduced as a prior year error to the financial statements, which results the actual values to be more than original anticipated.
- 23) Heritage assets - a new asset register back dating to 2009 has been introduced as a prior year error to the financial statements, which results in heritage assets being accounted for which was not budgeted.
- 24) Non-current assets held for sale - a new asset register back dating to 2009 has been introduced as a prior year error to the financial statements, which results in Non-current assets held for sale being accounted for which was not budgeted.
- 25) Payables from exchange transactions - the variance is due to the actual trade creditors amount was more than was estimated to have been at year end and while no budget was provided for consumer debtors being in advance, unallocated amount and deferred revenue.
- 26) Payables from non-exchange transactions - the budget amount was lower than the actual receivables from non-exchange, due to no budget amount provided for pre-paid deposits at year end.
- 27) VAT payable - the variance is due to the actual amount payable to be lower than what was estimated, due to VAT being paid regularly while it was estimated to not being paid regularly because of the cash flow constraints.
- 28) Unspent conditional grants - the amount estimated to be unspent at year end was budgeted to be less than the actual unspent grants, as it was not estimated that the FMG grant would have been so under spent.

Emakhazeni Local Municipality
Financial Statements for the year ended 30 June 2015

Notes to the Financial Statements

Figures in Rand

2015

Restated
2014

44. Budget differences (continued)

- 29) Provisions (current liability) - the variance is due to no amount budgeted for other provisions under current liabilities.
- 30) Long service awards(current liability) - the variance is attributal due to the fact that no budget was provided for the current liability, only for non-current liability.
- 31) Provisions (non-current liability) - the budget amount was lower than the actual provision amount, due to the increase in adjustment of the provision for landfill site rehabilitation.
- 32) Long service awards(non-current liability) - the variance is attributal due to the fact that no budget was provided for the current liability only for non-current liability, which resulted in the budget being more under non-current than the actual non-current liability.
- 33) Accumulate surplus - a new asset register back dating to 2009 has been introduced as a prior year error to the financial statements, which results in the Accumulated surplus to increase as a result of assets in prior year being expensed instead of capitalised.

Cashflow statement:

- 34) Sale of goods and services - the variance is attributal due to the fact that no budget was provided for the adjustment to profit/loss and adjustment to working capital, which resulted in the budget being higher than the actual amount.
- 35) Interest income - the variance due to the actual amount of interest earned being more than budgeted amount, as more short term investments were made than what was anticipated.
- 36) Employee cost - the variance is due high vacancy rates which resulted in the budget being higher than the actual amount.
- 37) Suppliers - the variance is attributal due to the fact that no budget was provided for the adjustment to profit/loss and adjustment to working capital, which resulted in the budget being higher than the actual amount.
- 38) Finance cost - the variance is due to the amount of interest paid to creditors being higher than what was anticipated. The higher interest is because of the cash flow constrains the municipality is experiencing.
- 39) Purchase of property, plant and equipment - the variance is due to the fact that no amount was budgeted for the donations received from Nkangala District municipality.
- 40) Disposal of property, plant and equipment - the variance is attributal due to the fact that a lower amount was budgeted than the actual amount at year end.
- 41) Movement in long service awards - the variance is due to the fact that no amount was budgeted for the movement in long service awards.
- 42) Other cash items - the variance is due to a budget for consumer deposits under Financing activities while the actual is realising under Operating activities as adjustment to working capital.
- 43) Net increase/(decrease) in cash and cash equivalents - the Operating activities total resulted to be less than budgeted while the Investing activities and Financing activities actuals being more than what was budgeted, which resulted in the actual net increase being for less than the net increase that was budgeted.
- 44) Cash and cash equivalents at the beginning of the year - the amount budgeted as the value at the beginning of the year was estimated to be in overdraft while the actual value beginning of the year yielded to be a positive balance.

Emakhazeni Local Municipality
Financial Statements for the year ended 30 June 2015

Notes to the Financial Statements

Figures in Rand

2015 Restated
2014

45. Losses

	2015	2014
Electricity losses:		
Total sales in KWH	28 810	-
Internal usage in KWH	6 000	-
Total reticulation KWH	2 870	-
Total KWH Purchased	41 560	-
Losses in Kwh	3 880	-
Electricity losses in Rand	2 677 200	-
Water losses:		
Total production in mega liters	3 924	-
Total sales in mega liters	2 534	-
Total loss in mega liters	892	-
Water losses in Rand	1 828 190	-

46. Deviation from procurement processes

Refere to Appendix D for the report on deviation from procurement processes.

Lease liability

Total external loans

Loan Number	Redeemable	Balance at 30 June 2014	Capitalized during the period	Redeemed/repayment during the period	Balance at 30 June 2015	Carrying Value of Property, Plant & Equip	Other Costs in accordance with the MFM/A
	Rand	Rand	Rand	Rand	Rand	Rand	Rand
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-

Emakhaseni Local Municipality
Appendix B
 June 2015

Analysis of property, plant and equipment as at 30 June 2015
Cost/Revaluation
Accumulated depreciation

	Opening Balance Rand	Additions Rand	Disposal/Transfer Rand	Closing Balance Rand	Opening Balance Rand	Depreciation Rand	Closing Balance Rand	Carrying value Rand
COMMUNITY								
Establishment of Parks and Gardens	3 240 294	-	-	3 240 294	(8 494 246)	(324 834)	(8 819 080)	(5 578 786)
Sportfields	4 128 731	-	-	4 128 731	(4 835 147)	(330 466)	(5 165 613)	(1 036 882)
Community Halls	2 657 965	-	-	2 657 965	(2 545 351)	(97 376)	(2 642 727)	15 238
Cemetery	2 083 638	-	-	2 083 638	(1 290 693)	(194 706)	(1 485 399)	598 239
	12 110 628	-	-	12 110 628	(17 165 437)	(947 382)	(18 112 819)	(6 002 191)
INFRASTRUCTURE								
Roads, Pavements & Bridges and Storm water	175 121 800	4 612 517	-	179 734 317	(1 89 314 025)	(11 515 988)	(200 830 013)	(21 095 696)
Electricity	66 936 615	3 366 677	-	70 303 292	(72 420 005)	(6 558 523)	(78 978 528)	(8 675 236)
Sewer/Sanitation	154 817 941	6 880 627	-	161 698 568	(123 890 332)	(10 073 437)	(133 963 769)	27 734 799
Water	144 414 643	6 314 257	-	150 728 900	(112 140 918)	(8 453 107)	(120 594 025)	30 134 875
	541 290 999	21 174 078	-	562 465 077	(497 765 280)	(36 601 055)	(534 366 335)	28 098 742
LAND & BUILDINGS								
Land	6 662 352	-	(1 576 400)	5 085 952	-	-	-	5 085 952
Buildings	34 857 128	1 195 976	-	36 053 104	(34 238 149)	(1 605 231)	(35 843 380)	209 724
	41 519 480	1 195 976	(1 576 400)	41 139 056	(34 238 149)	(1 605 231)	(35 843 380)	5 295 676

Emakhazeni Local Municipality
Appendix B
 June 2015

Analysis of property, plant and equipment as at 30 June 2015
Cost/Revaluation
Accumulated depreciation

	Opening Balance Rand	Additions Rand	Disposal/Transfer Rand	Closing Balance Rand	Opening Balance Rand	Depreciation Rand	Closing Balance Rand	Carrying value Rand
HERITAGE								
Heritage	10 255 716	-	-	10 255 716	-	-	-	10 255 716
	10 255 716	-	-	10 255 716	-	-	-	10 255 716
OTHER ASSETS								
Computer Equipment	1 248 774	9 824	-	1 258 598	-	(184 732)	(184 732)	1 073 866
Motor Vehicles	19 349 816	543 113	-	19 892 929	(219 255)	(1 020 378)	(1 239 633)	18 653 296
Office Equipment	647 831	6 119	-	653 950	(1 731)	(64 004)	(65 735)	588 215
Office Furniture and Fittings	2 953 956	17 218	-	2 971 174	-	(335 123)	(335 123)	2 636 051
Plant and Equipment	2 139 592	-	-	2 139 592	-	(321 555)	(321 555)	1 818 037
	26 339 969	576 274	-	26 916 243	(220 986)	(1 925 792)	(2 146 778)	24 769 465
TOTAL PROPERTY, PLANT & EQUIPMENT								
COMMUNITY INFRASTRUCTURE LAND & BUILDINGS	12 110 628	-	-	12 110 628	(17 165 437)	(947 382)	(18 112 819)	(6 002 191)
HERITAGE OTHER ASSETS	541 290 999	21 174 078	-	562 465 077	(497 765 280)	(36 601 055)	(534 366 335)	28 098 742
	41 519 480	1 195 976	(1 576 400)	41 139 056	(34 238 149)	(1 605 231)	(35 843 380)	5 295 676
	10 255 716	-	-	10 255 716	-	-	-	10 255 716
	26 339 969	576 274	-	26 916 243	(220 986)	(1 925 792)	(2 146 778)	24 769 465
	631 516 792	22 946 328	(1 576 400)	652 886 720	(549 389 852)	(41 079 460)	(590 469 312)	62 417 408
INTANGIBLE ASSETS								
Computers - software	663 323	-	-	663 323	(362 391)	(209 126)	(571 517)	91 806
	663 323	-	-	663 323	(362 391)	(209 126)	(571 517)	91 806

Emakhazeni Local Municipality
Appendix B
June 2015

Analysis of property, plant and equipment as at 30 June 2015
Cost/Revaluation
Accumulated depreciation

	Opening Balance Rand	Additions Rand	Disposal/Transfer Rand	Closing Balance Rand	Opening Balance Rand	Depreciation Rand	Closing Balance Rand	Carrying value Rand
INVESTMENT PROPERTIES								
Land	65 844 793	-	-	65 844 793	-	-	-	65 844 793
Buildings	10 435 744	-	-	10 435 744	-	-	-	10 435 744
TOTAL	76 280 537	-	-	76 280 537	-	-	-	76 280 537
COMMUNITY INFRASTRUCTURE LAND & BUILDINGS								
Heritage	12 110 628	-	-	12 110 628	(17 165 437)	(947 382)	(18 112 819)	(6 002 191)
Other Assets	541 290 999	21 174 078	-	562 465 077	(497 765 280)	(36 601 055)	(534 366 355)	28 098 742
Investment Properties	41 519 480	1 195 976	(1 576 400)	41 139 056	(34 238 149)	(1 605 231)	(35 843 380)	5 295 676
	10 255 716	-	-	10 255 716	-	-	-	10 255 716
	26 339 969	576 274	-	26 916 243	(220 986)	(1 925 792)	(2 146 778)	24 769 465
	663 323	-	-	663 323	(362 391)	(209 126)	(571 517)	91 806
	76 280 537	-	-	76 280 537	-	-	-	76 280 537
TOTAL	708 460 652	22 946 328	(1 576 400)	729 830 580	(549 752 243)	(41 288 566)	(591 040 829)	138 789 751

Emakhaseni Local Municipality
Appendix C
Disclosures of Grants and Subsidies in terms of Section 123 MFMA, 56 of 2003
June 2015

Name of Grants	Quarterly Receipts				Quarterly Expenditure				Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act
	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	
Equitable Share	16 736 000	14 093 000	-	11 451 000	16 736 000	14 093 000	-	11 451 000	Yes
Municipal Systems Improvement	934 000	-	-	-	-	-	233 739	618 805	Yes
Financial Management	1 800 000	-	-	-	54 212	98 358	79 656	312 710	Yes
Municipal Infrastructure	7 139 000	-	10 093 000	-	583 303	8 081 513	2 807 895	5 759 290	Yes
Integrated National Electrification Programme	-	-	-	-	-	-	-	-	Yes
Expanded Public Works Programme	494 000	370 000	371 000	-	153 297	324 574	324 651	306 060	Yes
Programme Incentive Grant	-	-	-	-	-	-	-	-	-
	27 103 000	14 463 000	10 464 000	11 451 000	17 526 812	22 597 445	3 445 941	18 447 865	

Note: A municipality should provide additional information on how a grant was spent per Vote. This excludes allocations from the Equitable Share.

APPENDIX D

DEVIATION FROM PROCUREMENT PROCESSES

Approval for obtaining only 1 (one) quotation in terms of paragraph 17 (c) of the supply chain management policy

No.	Description of services required	Requesting department	Approved service provider	Value of project / services/ goods	Reasons for deviation	Date of decision
1	Servicing of Toyota Dyna Cheery-Picker	Fleet management services	Barroworld Toyota Middelburg	59,109.12	Impactical to follow the official procurement process (Strip and Quote)	01/07/2014
2	Test Material for learner's licence	Community Services	Mindmuzik Media (Pty)Ltd	6,762.23	Materials only available from one service provider	02/08/20014
3	Verification of National learner's Database of the South African Qualifications	Community Services	SAQA	3,500.00	Service only available from one service provider	02/08/2014
4	Licensing Materials	Community Services	Government Printing	7,007.92	Materials only available from one service provider	02/08/2014
5	Service of a truck – FXW 571MP	Fleet management services	Republic Bus and Truck CC	14,403.92	Service only available from one service provider (Strip and Quote)	01/10/2014
6	Service of a truck – FXX 597MP	Fleet management services	Republic Bus and Truck CC	11,706.44	Service only available from one service provider (Strip and Quote)	01/10/2014
7	Service of a truck – FXW 581MP	Fleet management services	Republic Bus and Truck CC	9,304.45	Service only available from one service provider (Strip and Quote)	01/10/2014
8	Service of a TLB – FYH 478MP, 1 500 Hours	Fleet management services	Bell Equipment Sales South Africa	10,986.62	Service only available from one service provider (Strip and Quote)	01/10/2014
9	Service of a TLB – FYH 464MP, 2 000 Hours	Fleet management services	Bell Equipment Sales South Africa	25,137.10	Service only available from one service provider (Strip and Quote)	01/10/2014
10	Service of a TLB – FYH 472MP, 1 500 Hours	Fleet management services	Bell Equipment Sales South Africa	12,420.97	Service only available from one service provider (Strip and Quote)	01/10/2014
11	Service of a Grader – FYH 478MP, 1 000 Hours	Fleet management services	Babcock Africa Services	14,076.32	Service only available from one service provider (Strip and Quote)	01/10/2014
12	Servicing of a tractor – FNR 460 MP	Fleet management services	Middelburg Boardery Benodigdhede	21,883.27	Strip and quote approach	15/03/2012
13	Service of Grader- HFZ 894 MP	Fleet management services	Volvo Backhook International Group (pty) Ltd	6,183.84	Strip and quote approach	15/03/2012
14	Service of an Isuzu truck – FMG 509 MP	Fleet management services	Solly's Middelburg	33,255.11	Strip and quote approach	15/03/2027
15	Service of an Isuzu truck – FHB 733 MP	Fleet management services	Solly's Middelburg	20,380.80	Strip and quote approach	15/03/2012

APPENDIX D

DEVIATION FROM PROCUREMENT PROCESSES

16	Service of a MAN truck – FXV 225 MP	Fleet management services	MAN Middelburg	25,108.99	Strip and quote approach	15/03/2012
17	Purchase of Hydraulics related part for a truck – CRK 563 MP	Fleet management services	TTC Hydraulics Mqumalanga	6,351.81	This is the only Hydraulics and related supplier within a geographical area	15/03/2012
18	Purchase of Face value forms (Licensing)	Community Services	Department of community safety, security and liaison	4,690.70	This is a sole supplier for the face value forms	15/02/2026
19	Servicing to Toyota Land cruiser with Reg No. HHS 265 MP	Fleet Management services	Lydney Motors (Pty) Ltd	8,112.97	This is a Toyota Garage, as the vehicle make is Toyota	09/06/2015
20	Servicing to Toyota Land cruiser with Reg No. HHS 262 MP	Fleet Management services	Lydney Motors (Pty) Ltd	15,703.52	This is a Toyota Garage, as the vehicle make is Toyota	09/06/2015
21	Procurement of a two-way Communicating radio and its Batteries for our Traffic Management Section.	Community Services	Witbank Tools	85,036.30	This is for continuity purposes, since the Municipality was using this system in the past and we need to acquire the upgrade of the same system from the same service provider	30/06/2015
22	Replacement of a stolen electrical cable	Technical Services	Kgwebisano Supplies & Services	29,982.00	This was an urgent matter as the other service providers could not submit in time while the community members of Siyathuthuka were without electricity	03/10/2015
23	Supply and install 11kV XLPE joint	Technical Services	Kgwebisano Supplies & Services	23,370.00	The service was urgent as there was a power outage on the supply feeding Entokozweni Community	31/03/2015
24	Rewind and fit new Bearings into 45KW 2P 400V MOTOR	Technical Services	Babata Pumps (Pty) Ltd	20,959.74	The service was urgent since the worn-out bearings were resulting in water supply distractions	21/01/2015
25	Wash, Bake and Install new bearing into 45KV 400V	Technical Services	Babata Pumps (Pty) Ltd	12,655.62	The service was urgent since the worn-out bearings were resulting in water supply distractions	21/01/2015
26	Supply and delivery of 22KV / 415V 200KVA Pole Mounted Transformers	Technical Services	Maymuth Contractors	112,290.00	The service was urgent as untreated sewer poses danger to biodiversity	30/06/2015

R 600,381.76